The COMMERCIAL and FINANCIAL CHRONICLE

ESTABLISHED 1839 Reg. U. S. Pat. Office

Volume 194 Number 6078 New York 7, N. Y., Thursday, August 3, 1961 Price 50 Cents a Copy

Editorial AS WE SEE IT

This seems to be a good time to take a look at some records. The Department of Commerce has published the 1960 version of the mass of figures known as the national accounts—which include gross national product (GNP to most observers nowadays), national income, profits, compensation of employees, and a long series of other data reaching over a long period of years including 1960. Some of these figures have also been published covering the earlier months of the current year, but it is the longer sweep of time, including what is supposed to be a not particularly good year, 1960, which for the moment is of greater interest than the more recent data.

Two sets of figures in this mass of data appear to us to be particularly worthy of study at this time—the remuneration of wage earners and consumer absorption of goods and services during the past dozen or more postwar years. This period includes a number of years when, according to the professional pessimists, everything was about to go to pot, and the poor wage earner was soon to be seeking the breadlines. The Department of Commerce has for a long series of years been estimating the total "compensation of employees" so far as the varied forms of pay in this day and time can be assigned a cash value. Of course, shortened work weeks, longer vacations, and the endless list of work restrictions would not be included, but the figure in its historic course is nonetheless of great interest, and in light of current efforts to increase rates of pay, including fringe benefits, is definitely informative.

The Record

Let the record begin with what might be termed the first normal postwar year—that is after the inevitable abnormalities of any period immediately following a world war have been eliminated for the most part—and one of the years when a depression reminiscent of 1920 was "inevitable" according to the prophets of gloom and doom. In that year GNP was $234 billion. In the steady rise since that year to the $504 *(Continued on page 23)*

Developments Renewing Interest In Canada's Petroleum Industry

By E. D. Loughney, President, The British American Oil Company, Ltd., Toronto, Canada*

Oil head describes changes in oil and natural gas output and other matters of importance affecting Canada's national oil policy and bearing on the future outlook. Mr. Loughney is confident an orderly expansion of markets for oil and natural gas in northern U. S. would not materially affect our domestic production. The industrialist postulates future growth rates, and cautions against ruinous marketing policies and practices which can jeopardize optimistic earnings outlook expected in the next few years.

In the early stages of development of Canadian crude oil reserves following the first major discoveries in 1947, markets were readily available and production increased rapidly as pipeline facilities were completed to serve these markets.

E. D. Loughney

A further spur to production in Western Canada came in the latter part of 1956 and early part of 1957 as a result of the Suez crisis. Exports of crude oil to the United States in these years soared to an average of 117,000 barrels per day in 1956 and 152,000 barrels per day in 1957. With the decline in exports which followed the reopening of the Suez Canal, Canadian production dropped sharply, and it became increasingly apparent that the development of reserves in Western Canada and the industry's potential producing capacity had far outstripped the available markets that could be economically supplied with Canadian crude oil.

A growing concern about the need for expansion of markets in order to sustain a healthy producing industry in Western Canada led to the appointment, late in 1957, of a Royal Commission on Energy to study, among other matters the question of expansion of markets for Canadian crude oil.

The second report of this Commission, which became known as the Borden Commission, dealt with the question of crude oil markets. It was published in July, 1959.

In this report the Commission concluded—in line with views expressed by the major integrated companies—that the logical markets for increased production of Canadian crude oil were in those areas in Canada and the United States that were accessible to Canadian crude oil by existing pipeline facilities. Because of the competitive disadvantage in laid-down cost of Canadian crude oil, as compared with imported crude oil in the major refining center of Montreal East, the Commission recommended against any immediate Government action that would force construction of pipeline facilities for transporting Canadian crude oil to Montreal.

Two Possible Ways to Expand Markets

With the Montreal market excluded for economic reasons, there were only two possible ways to expand markets for Canadian production:

(1) Further expansion of markets in Ontario by elimination of direct imports of crude oil and refined products, and by displacement of products refined in Montreal from imported crude oil and transferred into Ontario.

(2) The only other possible way to increase production was to increase exports of crude oil to the United States.

As a result of continuing concern over this situation, the Canadian Government, in the middle of 1960, directed the newly-formed National Energy Board to review the question of markets for Canadian crude oil in the light of developments since the Second Report of the Borden Commission.

Target Levels

Following the Energy Board's re-examination of the problem, the Minister *(Continued on page 24)*

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 32.

The Security I Like Best . . .

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

IRVING B. HARRIS

Resident Chicago Partner, Robert J. Levy & Co., Chicago, Ill.
Members: New York Stock Exchange and Associate Members American Stock Exchange

United Air Lines Convertible Debentures

"The Security I Like Best" is the United Air Lines 4⅞% subordinated debentures due Dec. 1, 1985. These bonds are convertible into common for 15 years at $37.50 The bonds at around 130 sell at a small premium over the common. The attraction of the common stems from the improving status of the industry and the company. Earnings could exceed $8 per share by 1963 or 1964. In such a case, the common could easily reach 100 and the bonds more than double if not called. The down-side risk in the bonds seems to be 15-20%.

Irving B. Harris

Following the Capital Airlines merger, United is the largest airline in the country and probably the highest quality operation in the industry. Despite years of growing airline revenues, the industry has been plagued by erratic earnings stemming from: rising costs and lagging rate increases, periodic huge re-equipment programs and an overabundance of competition stimulated by the CAB.

Industry conditions appear to be improving substantially. The CAB has allowed higher rates and has stated that rate regulation will be such as to permit a 10¼% average return on capital for the major trunk lines. Major airlines have been earning less than half this rate recently. Further, it appears that the CAB recognizes the danger of too much competition on particular route segments and will permit some relaxing of competition. for example, through mergers. Probably of greatest importance to higher profits in the industry is the advent of the jet airliner: (1) These aircraft are considerably more efficient, particularly on long hauls, than piston craft. (2) For technical reasons, it seems unlikely that present jets will be obsoleted by new aircraft for several years.

United shifted to jets later than its major competitor, American Airlines, and in this period, U.A.L.'s historic 19% of the domestic air travel market declined to around 16%. During 1960, United emerged from this period of competitive disadvantage — its share of market recovered to 19% by year end and has actually increased further this year. Industry revenues are somewhat cyclical in sympathy with general economic conditions and so are rising at this time. In addition to profiting from increased revenues, U.A.L.'s jet introductory costs are declining and the company is feeling the beneficial effect of fare increases permitted in 1960. These factors should increase operating earnings from the depressed level of $1.65 per share in 1960 to a level of $4-5 per share in 1962, and perhaps to $8 or better in 1963 or 1964.

Earnings in 1961 are difficult to forecast because of the merger of Capital Airlines, completed June 1, 1961. In 1961, non-recurring costs of integrating equipment, personnel and service will be substantial. At the same time, the combined operation is benefiting from the elimination of duplicate facilities, from additional revenues, from better aircraft and improved service on Capital routes, and from additional revenues on U.A.L.'s route structure arising from travel originating on Capital's former routes. How the pluses and minuses will add up in 1961 is uncertain, but it does seem now that operating earnings will exceed the 1960 level.

Despite the short-term uncertainty, the good, long-term potential makes the convertible bond "The Security I Like Best." The bonds in this $25 million issue trade on the New York Stock Exchange.

B. WINTHROP PIZZINI

President, B. W. Pizzini & Co., Inc., New York City

Leece-Neville Company

Prospecting for "values" in a 12-year-old bull market leaves something to be desired. The lists have been searched and re-searched for prospects even to the extent of discounting the possibilities into the future years. However, a stock that I believe has been overlooked is that of the Leece-Neville Company. Reason for this, perhaps, is that it is a small company with a small amount of stock outstanding that is not listed on any of the Exchanges.

B. W. Pizzini

Leece-Neville is one of the major suppliers of alternator systems. Leading manufacturers of automobiles and trucks are now advertising the alternator and its many advantages. Leece-Neville developed and was the original manufacturer of this product. It has recently introduced a new line of alternators. It is felt that this phase of its business will experience great growth over future years, since it is considered likely that some-day all cars and trucks will be equipped with alternators.

Alternators represent a revolutionary system of electric power for motive equipment. It replaces the present generator system on autos, trucks, etc. and has been brought down to a competitive price. It has many advantages over prevailing generator systems. The company's latest alternator is an outstanding achievement. It is described as a solution to the long apparent need for adequate electrical power in modern cars and trucks. The motorist can now practically eliminate electrical system break-down, the "number one" cause of stalled cars and trucks.

With an L-N alternator, all the battery has to do is to start the engine. The alternator immediately begins to produce electrical output. This allows easy starting even in the coldest weather, and it's almost a necessity for any car equipped with air-conditioning or any car loaded with power accessories.

At this point the reader might get the idea that I am talking about a new company with a specialty product. Such is not the case. In fact, Leece-Neville started in business back in 1910. It is the company that first put electric lights on automobiles. It invented the self-starter and first generator for cars. Invention, engineering and design have long featured its activities. Products represent electrical devices and controls for all kinds of motor equipment—also electrical devices for the Army and Navy. For 30 years the company was closely controlled. Only in recent years has stock been available to the investing public.

The company's business has experienced a rather constant growth during the past 10 years, with moderate let-downs during years of depressed automotive vehicle production. Sales have advanced from a level of around $4,400,000 in 1950 to nearly $15,000,000 in 1959 and about $14,300,000 in 1960. This is considered a fairly good sales volume in relation to the 250,572 shares of sole capital stock outstanding. Earnings per share have fluctuated widely, attaining a high of $2.48 per share in 1959 and dropping to 78 cents per share in 1960, but have averaged $1.27 per share per year for the last 10 years. Dividends have been paid in varying amounts in every year since 1923. Present rate is 10 cents per share per quarter plus extras in cash and also in stock.

It is well to bear in mind that the company's earnings for the 1960 year were adversely affected partly by extra expenses in establishing a new plant in Gainsville, Ga. This marks their initial venture into the AC motor field. The new plant only reached full production during the spring of 1961. It makes motors for air-conditioning and allied industries, already a large field with much potential growth.

I like this stock because it is selling for little more than 10 times the average annual earnings for the last 10 years. Considering the recent dividends in cash and stock the yield is liberal in the present stock market. It has paid dividends in every year for 40 years. Moreover, its volume of business has grown; it has new plants and new products some of which are of an outstanding nature. The stock is traded in the Over-the-Counter Market.

(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

This Week's Forum Participants and Their Selections

United Air Lines Con. Debs. — Irving B. Harris, Resident Chicago Partner of Robert J. Levy & Co. (Page 2)

Leece-Neville Co. — B. Winthrop Pizzini, President, B. W. Pizzini & Co., Inc., New York City. (Page 2)

Chicago Bond Club To Hear on Space

CHICAGO, Ill.—The Bond Club of Chicago will hold a luncheon meeting on Aug. 10 at 12:15 in the Red Lacquer Room of the Palmer House. Edward J. Kerrigan, consultant, National Aeronautics and Space Administration, will be guest speaker.

Mr. Kerrigan will discuss project Mercury and project Apollo, both aimed at eventually putting a man on the moon, and as a special feature will also show a motion picture on outer space.

Guests may be invited to the luncheon, tariff $4.50 per plate. Reservations should be made promptly with James E. Snyder, A. C. Allyn & Co., Inc.

Will Repeal of 25% Gold Cover Enhance Dollar's Status?

By Patrick M. Boarman, *Assistant Professor of Economics, University of Wisconsin, Milwaukee, Wis.*

Wisconsin economist chides members of the "drop the gold reserve requirement" school for advancing the balance of payment and international liquidity arguments to back up their proposal to drop the 25% gold cover rule. His rejoinder also answers the contention which denies further inflation would not result from dropping since our money supply is well below its theoretical limits. After explaining why he believes even the short-run advantages of the proposed step are nebulous, Mr. Boarman avers foreigners would be more impressed by our domestic fight against inflationary pressures than by our willingness to back up a depreciating dollar. The economist concludes that freeing our gold reserves is likely to have "baneful consequences for America and for the Free World."

I

With the pressures on the U. S. gold supply in abeyance for the nonce, it is regarded once again as "safe" to debate the proposal to repeal the law requiring the notes and deposits of the Federal Reserve System to be covered 25% by gold. Current support for repeal of the reserve requirement includes a number of prominent American bankers, Treasury officials, Administration economists, and representatives of the International Monetary Fund. A presidential task force, led by a former president of the Federal Reserve Bank of New York, declared that arguments to remove the 25% rule were "impressive." More recently, a bill has been introduced into Congress (H.R. 6900) which if enacted into law would formally remove the gold backing of the currency.

Patrick M. Boarman

Is Gold to Blame for the Deficit?

It is significant that the movement to remove the 25% gold cover rule should be exciting interest at a time when the United States is still suffering from a serious deficit in its balance of payments (the deficit cumulated from 1950 to the end of 1960 by roughly $18 billion). Since no such proposal was made or even entertained during the years when the U. S. balance of payments was in surplus, it can only be assumed that its present supporters see a certain connection between the deficit and the gold cover rule. In some quarters, moreover, the abrogation of the reserve requirement will tend to find support as a substitute for other more stringent but politically less palatable approaches to the deficit problem such as a concerted attack upon domestic inflation. This being the case, it is important to determine precisely what is the connection between the gold reserves and the disturbing imbalance in our international accounts.

The deficit, in the first place, is nothing new; it has been going on for ten years. This fact needs stressing since a goodly number of American economists have been more concerned in these ten years with an alleged world shortage of dollars than with the ongoing deficit of their own country. The preoccupation with the balance of payments difficulties of other countries stemmed from a belief in a permanently "structural" superiority of the American economy to the rest of the world. Like an Act of God, the dollar shortage was supposed to be something about which not much could be done except to continue to supply dollars to the dollar-short countries (or risk their raising further barriers against U. S. exports). The emerging U. S. deficits, where they were noticed at all, were regarded as being, in the nature of the case, merely temporary phenomena, and to the extent that they added dollars to the reserves of the deficit countries, even beneficial ones.

By this time, all but the most diehard believers in a theory of permanently superior U. S. productivity are inclined to admit that the U. S. deficit is chronic rather than temporary and that the possibility of its continuance poses a serious threat to American political and economic leadership of the free world. The error in the permanent productivity theory is its failure to allow for the possibility of structural change; in fact, the structural advantages (or disadvantages) of one country in respect to others are not necessarily given for all time but may be decisively altered by policy. Thus, continued toleration of inflation and of an inflation-psychology in the United States coupled with the simultaneous return to monetary discipline and to market economy by other countries has reduced and in some cases even eliminated the original U. S. cost-price advantages in many world markets. It is for this reason, in part, that cumulating quantities of dollars in foreign hands have been used ultimately to buy not our goods but our gold.

Blinded by Keynesian Ideology

The suddenness with which the world dollar shortage was transformed into a world dollar glut—as reflected in the abrupt decline of U. S. gold reserves beginning in 1958—has tended to divert attention from the fact, already noted, that the American position

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Regular Features

Published Twice Weekly
The COMMERCIAL and FINANCIAL CHRONICLE
Reg. U. S. Patent Office
WILLIAM B. DANA COMPANY, Publishers
25 Park Place, New York 7, N. Y.
REctor 2-9570 to 9576
CLAUDE D. SEIBERT, President
WILLIAM DANA SEIBERT, Treasurer
GEORGE J. MORRISSEY, Editor
Thursday, August 3, 1961

Every Thursday (general news and advertising issue) and every Monday (complete statistical issue—market quotation records, corporation news, bank clearings, state and city news, etc.).

Other Office: 135 South La Salle St., Chicago 3, Ill. (Telephone STate 2-0613).

Reentered as second-class matter February 25, 1942, at the post office at New York, N. Y., under the Act of March 8, 1879.

Subscription Rates

Subscriptions in United States, U. S. Possessions, Territories and Members of Pan-American Union, $65.00 per year; in Dominion of Canada, $68.00 per year; Other Countries, $72.00 per year.

Other Publications

Bank and Quotation Record — Monthly, $45.00 per year. (Foreign Postage extra).

Note—On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

OBSERVATIONS...

BY A. WILFRED MAY

TAX TIMETABLE

WASHINGTON — The outlook for both President Kennedy's tax proposals submitted last April, and his broader revisions to be acted on over the years, highlight the slow timetable of our legislative incubation.

To reach the House floor, tax legislation must get by two Committees: Ways and Means, and Rules. The Bill embodying the Administration's proposals submitted last April (accelerated depreciation on capital outlays, withholding, "expense account," anti-dividend exclusion) will remain in House Ways and Means' executive successive session for another fortnight. Thence it comes forth to the House floor, sponsored by the Committee's Chairman, Mr. Mills, as a "clean bill," that is, permitting no amendments from the floor.

Senate Handling

After limited debate (such limitation by the Rules Committee seeming probable in this instance), and passage by the House, the Bill will go over to the Senate floor, whence it will get referred to the Senate Finance Committee, possibly before Labor Day. Whether or not the Congress has adjourned, the Bill will then get a thorough working-over by the Finance Committee, including extended public hearings—likely to extend over a two-month period.

Then, during the next Session, in January or February, the Bill, with or without amendments, will go to the Senate Floor for a vote. Then any Senator can propose any amendment, which if passed, sends the whole Bill to Senate-House Conference. If the Conferees do not agree to such amendment, (the House members turning it down), there is no Bill whatever. If the Conferees do agree on the Senate's amendments, the amended Bill must be submitted to the floors of the House and Senate, for another possibly-nullifying vote.

The More Comprehensive Reform Bundle

The more comprehensive *"tranche"* of tax revision, including possible changes in the entire rate structure, and possibly accompanied by some of Mr. Kennedy's pending proposals, will get Congressional consideration sometime in 1962. This might include, specifically, "tax haven" legislation. The Treasury, and the House Ways and Means Committee, say they will welcome public comments on a revised Treasury draft, "to aid further study on the subject."

The Treasury's proposal to revise drastically the liberal reserve allowances in Savings and Loan Association taxes, will receive Hearings before the House Ways & Means Committee August 9 and 10. Hence, such "reform" could possibly be included in the first group of tax legislation.

The Bill (S. 1625) to curtail the present tax advantages in Stock-Optioning, on which advance hearings were held by the Senate Finance Committee a fortnight ago, likewise faces delayed action — this despite sponsoring Senator Gore's possession of two early shots at his target. When the current Administration Tax Bill, as described above, moves over to the Senate Finance Committee later this month, Mr. Gore can there introduce his proposal as an amendment.

The effect of Senator Gore's proposal, if passed, would be to take out of the Revenue Code section 421, which since 1950 has been giving special statutory treatment to restricted options. It would revert the status of restricted options granted after the new cut-off date, April 14, 1961, back to pre-1950. All options restricted and non-restricted, would thus become subject to the general rules and regulations of the Treasury and the Revenue Code, such as were litigated in the Smith and LoBoue cases in 1956. The Courts there held that tax was due at the time of the Option's exercise, and at ordinary income rates.

In any event, and irrespective of the possible backing of Senator Gore, the Treasury and the SEC (on behalf of its duties under the Public Utility Holding Company Act), can independently ask the Congress for reform measures on Options.

* * *

ALSO ON THE "LOCAL" TIMETABLE

Senator Paul Douglas' Consumer Credit "Disclosure Bill" (S. 1740, "To assist in the promotion of economic stabilization, by requiring the disclosure of finance charges in connection with extensions of credit") re-introduced April 27, 1961, constitutes another financial reform item stalled on the local tracks. Mr. Douglas, asserting a present five-to-five deadlock in the Banking and Currency Committee, doesn't hope for favorable action within another 12 months.

MISSILES vs. REFORM

In the over-all setting, negating the passage of any financial reform would be the outside factor of Cold War intensification. As with "dull" reform in the investment field in the past, the electorate and its representatives are more interested in dealing with planes, submarines and missiles—outgoing and incoming.

Mr. Ford on Options—and Playing-the-Market

Authoritatively confirming the premise in our Statement before the Senate Finance Committee (reproduced in this space last week), that the Stock Option-ers are basically, and blandly, assuming correlation between a company's profits and the market price of its stock, is the following from Option-endorsement given by Mr. Henry Ford at his company's 1960 annual stockholders meeting (as cited on the Senate Floor by Senator Curtis, on July 20, 1961). Mr. Curtis, a member of the Senate Finance Committee, was engaging in "full-dress" opposition to the Gore Bill:

". . . Since 1950, over half the firms listed on the New York Stock Exchange have adopted such plans.

"It's not hard to see why. The salaries you pay are a fixed expense. With stock options, your management is rewarded in direct proportion to the company's *profitability*. If the value of the stock does not go up, the options are worthless.

"The stock option is one of the few means of enabling the manager to participate in the success of the business achieved through his efforts. No other plan gives management employees so extraordinary an incentive to make the company *profitable*. . . ." [Emphasis added.]

Thus, Messrs. Ford and Curtis further validate our demonstration that the existing Stock Option technique operates merely as a playing-the-market device.

* * *

IN OUR MAIL BOX

From A Tax Authority

Dear Mr. May:

In supplement of your presentation, before the Senate Finance Committee, here are additional items on the Stock Option question:

(1) Stockholders are paying a terrific price for executive stock options. Not only are everybody's taxes increased because the stock option group pays capital gain taxes instead of regular taxes, but the situation is compounded by reason of the fact that the company loses all deduction whatsoever for the compensation element in the stock option. This increase in corporate tax is, of course, borne by the stockholders.

(2) Stock options put unlisted companies at a terrific disadvantage in competition for personnel. Stock options cannot get started without ready knowledge of market value of the stock, because there must be the 85% or 95% relationship to market value. Companies that have not gone public don't know automatically what the value of their stock is, and hence cannot get a stock option started for their executives. Not only is this a discrimination, but the area discriminated against is the very one that we should want to favor if there is to be any favorite at all.

Keep banging away.

—J. S. Seidman

Seidman & Seidman,
Certified Public Accountants,
New York City
Aug. 1, 1961.

Stone & Webster Branch

SAN FRANCISCO, Calif.—Stone & Webster Securities Corporation has opened a branch office at 235 Montgomery Street, under the direction of Robert G. Mead.

Herbert Stern Co. 25th Anniversary

Herbert E. Stern & Co., 52 Wall Street, New York City, members of the New York Stock Exchange, are celebrating the 25th anniversary of their founding in 1936.

J. S. Strauss Wire To V. F. Naddeo

V. F. Naddeo & Co., Inc., 26 Broadway, New York City, have announced the installation of direct telephone service to J. S. Strauss & Co., 155 Montgomery Street, San Francisco, Calif.

McAlister Opens Branch

ROCK HILL, S. C.—Joe McAlister Co. has opened a branch office at 660 East White Street under the management of Jack E. Cox.

Coburn Opens Branch

WASHINGTON, D. C.—J. B. Coburn Associates, Inc. has opened a branch office at 1700 I Street, N. W. under the direction of Lawrence M. Littleton.

Dreyfus Branch on Coast

SAN FRANCISCO, Calif. — The Dreyfus Corporation has opened a branch office in the Russ Bldg.

NSTA NOTES

NATIONAL SECURITY TRADERS ASSOCIATION INC.

GEORGIA SECURITY DEALERS ASSOCIATION

The summer outing of the Georgia Security Dealers Association will be held in Atlanta on Sept. 21 and 22.

The Columbia Picture

By Dr. Ira U. Cobleigh, Enterprise Economist

A consideration of the current attraction of Columbia Pictures Corp. common stock viewed on the basis of assets and earning power.

Motion picture corporations have been uneven performers over the years. Many prospered in the 1920's, only to enter difficulties in the ensuing decade with the switchover to talkies and a nasty depression. Technicolor, one of the glamour stocks of 30 years ago sold at $85 in 1930, and at $1 less than two years later. In due course there came the anti-trust decisions knocking out "block booking" of pictures; then the court order requiring divorcement of picture producers from the chains of playhouses they had acquired; and finally along came TV which kept millions of film fans at home, their eyes glued to a knot-hole version of a motion picture screen. And theaters closed by the drove. (In England many are now reopening as Bingo parlors.)

But there were some brighter sides. Popcorn sales zoomed, hundreds of new drive-in theaters picked up some of the attendance slack, and block buster films such as "Gone With The Wind," "The Ten Commandments" and "Ben Hur" proved consistently that they could still lure viewers, by the millions, out of their homes and into the broad screen theaters. And finally acting on the old political principle "if you can't lick 'em, join 'em," the picture companies have found TV to be not a mortal enemy but a fabulous outlet for hundreds of old films that had been gathering dust on their library shelves. Many companies have even gone further than supplying vintage films, they are now making pictures specifically for TV. And a number of companies, Paramount and Twentieth Century Fox for example, have been making money from substantial and diversified investments in securities, oil or real estate. As a result certain movie stocks have, within the past three years, performed splendidly and the industry has recovered much of its earlier popularity among investors.

Box Office Attractions

A film maker we'd like briefly to review today is Columbia Pictures Corporation. Its results in 1959 and 1960 were certainly not impressive; but this year the Columbia picture is one of a much brighter hue. After some years of lows in the production, distribution and financing of motion pictures, Columbia has now come up with feature productions possessing great box office potentials. "The Guns of Navarone" (starring Gregory Peck, David Niven and Anthony Quinn) has drawn better in London than the smash hit "Bridge on the River Kwai" did a few years back. It has gotten off to a terrific start in its early releases in the United States. Ahead lies the "Devil at Four O'Clock" with Frank Sinatra and Spencer Tracy. These are big budget films which can be written off over a period of years (with less immediate charge-offs against current earnings). Other pictures which should prove strong earners are "A Raisin in the Sun," "The Wackiest Ship in the Army" and "Pepe." It has been years since Columbia offered such an attractive package of current feature films and substantial earnings should now develop as a result.

So much for playhouse picture production. In the TV Columbia is well placed through its library of post 1948 feature films, not carried on its books at all, but valued at somewhere between $30 million and $50 million. Using the lower figure the library represents the equivalent of about $22 a share on Columbia common. A portion of these films has been licensed to Columbia Broadcasting System under a contract that will produce $11 million in income, by the end of 1965. (This income will be distributed 75% to Columbia and 25% to its subsidiary Screen Gems.)

Screen Gems

Columbia has another powerful asset in its ownership of 2,250,000 shares (89%) of Screen Gems. This stock sells over-the-counter at around 20 so this holding alone represents an indicated value of some $32 a share on the 1,391,602 shares of CPS common outstanding. Screen Gems produces and distributes television films, and is a major distributor of feature motion pictures and shorts designed originally for theatrical release. In addition to its agency for early Columbia pictures, Screen Gems also has the exclusive distribution rights to about 600 films produced by Universal Pictures prior to 1948.

This Screen Gems organization has been growing dynamically. In 1956 it grossed $16.1 million and earned 40 cents a share. For 1960 the gross was $41.6 million and the net per share, 72 cents. (Fiscal year ends June 30.) The 1961 figure of around $1 a share further documents a growth trend. Incidentally, we forgot to mention above that Screen Gems also produces commercials for television, which viewers will at once recognize as almost a major industry in itself!

Screen Gems common at 20, a 20 times earning multiple, seems fairly priced in relation to comparable shares in the industry, and to growth stocks as a general category.

A consideration of Columbia Pictures common at this time must take into account three things. First is the elimination of the losses from actual film production. A drive for greater efficiency in studio operation, plus two big budget pictures with powerful box office appeal should put Columbia in the black, in this division, for the first time in several years. Instead of dragging down earnings from other sources, picture production can now add to them. Secondly the picture library will be delivering steady and increasing earnings. Thirdly, Screen Gems should continue to increase in net worth and earning power.

Assets At a Discount

Another way of looking at CPS is on the basis of asset value. As we went along we calculated a rough per share value of $22 for the film library at a minimum appraisal, and $32 a share on the equity in Screen Gems. That totals $54, allowing nothing for all the other assets of Columbia Pictures Corporation. Thus when you view in the market CPS, selling at 29½, it would appear that you are offered an interesting package of worthwhile assets at a substantial discount price, and five points below the 1961 high of 34⅞.

On the earnings side for fiscal 1962 we can do a little educated guessing. Assuming Screen Gems earns $1 a share, Columbia's portion of income will be 1.6 times that, or $1.60 per share. Revenues from new motion picture releases (or at least elimination of losses), and from TV library sales could possibly deliver around $1.50 a share. Add these and you project a combined income applying to Columbia common, of above $3 a share for the next fiscal year. This does not appear to be a wildly unreasonable projection. On that basis CPS, listed on the N. Y. S. E. at 29½ is valued at about 10 times indicated earnings, a fairly conservative multiple.

Accordingly, while there is no denying the erratic earnings of Columbia Pictures in the past, the company, for 1962, should produce in any event its best results in the past six years. About dividends there was a 2½% stock dividend this year. The policy of paying in stock rather than in cash will probably be continued.

CPS would probably qualify, in board room jargon, as a "special situation." As such its attractions would include the brighter trend in earnings, a visible market undervaluation of useful assets and the small number of shares (1,391,602) outstanding. Speculators for the rise have long favored issues where, either because of a minute capitalization, or a small floating supply of stock due to shares being closely held, shares can respond with some animation to good news and aggressive buying. CPS appears to be a speculation of that order.

Transportation Conf. on Mergers

EVANSTON, Ill.—The Transportation Center at Northwestern University will present a conference on Mergers and Acquisitions August 28-29.

On the agenda for the conference are Motives for Merger; Merger Trends; When Do Mergers Pay?; What Is Labor's Stake?; Road to Merger.

Registration fee is $150. Further information may be obtained from Eliezer Krumbein, Assistant Director of Education, The Transportation Center, Northwestern University 1818 Hinman Ave., Evanston, Ill.

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

Although there may have been considerable interest in tax-exempt bond offerings during the past ten days, very little of it has developed into positive market activity. From a practical market viewpoint the interest has been studious if not academic. Since the change in the Bank of England rate from 5% to 7%, buying interest has been reduced to a bare minimum from the broad active interest in tax-exempts that had obtained during the previous few weeks. Whereas brisk demand had moved the market level up during mid-July as much as a point for longer term bonds, price cutting has been resorted to since the English bank rate rise in an effort to again stimulate investor interest.

Inventory Rise Measures Investor Apathy

However, through the past week, new issue bidding has continued to be relatively aggressive while the institutional and investor reception and appetite for offerings has abruptly lagged to an extent that has already resulted in the rebuilding of inventories. But few of the week's new issue offerings met with apparent investor favor and no important new issue received the enthusiastic response necessary for a sell-out.

A week ago, July 27, street inventories as reflected by the *Blue List* of current municipal offerings, had been reduced to a total of $368,440,000 of state and municipal bonds. As then mentioned, the withdrawal of offerings accounted for some part of the large reduction from the previous week ($422,610,000 on July 20). The relisting of these items, plus the moderately heavy unsold balances involved in the past week's underwritings, has swelled the *Blue List* total of state and municipal offerings to $405,291,000 as of Aug. 2. By present standards this total is certainly not unfavorable to the market but the reverse trend does serve to indicate the sharp change in investor thinking.

Another Blow to U. S. Easy Money Policies

While the forthright action taken by the British was a serious blow to United States credit policies, and particularly upsetting in respect to our bond markets, another far reaching decision has been reached by the British which may have a further adverse effect upon the easy money policies doggedly perpetrated by the Kennedy Administration. Great Britain has at last determined to join the European Economic Community or the Common Market which in its broader development means a United States of Europe. The United States has urged this action for many years for the overall strengthening effect it may have in buttressing the cause of the free world.

However, this economic union with most of the nations of Western Europe will almost immediately set moving economic and financial forces directly affecting present United States policies.

The situation most pertinent to those of us in the bond business, whether we be investors or dealers or both, would seem to be the impact, gradual or otherwise, exerted on money rates and the bond market. With all of the European nations adhering to the traditional concept of money rates (6% or higher), the United States policy of cheap money seems likely to quickly become incompatible in face of the economic and financial forces potentially inherent in the industrial colossus to be known as the Common Market.

In face of this basic financial conflict with all its repercussions (our gold problem is more particularly focussed by this union) and in view of the sharp increases in domestic military expenditures being set in motion, the demands for bank credit may pick up considerably by early fall. Thus the declining bond market, predicted generally by most of our financial experts for many months, may now be in the process of developing.

Municipal Market Still in Good Shape

At present, the state and municipal bond market would seem to be in a fair technical position. On basic considerations, the general level of tax-exempt bond prices continues to be favorable to the high bracket investor, notwithstanding the progressive increments of inflation. The *Commercial and Financial Chronicle's* high grade 20-year-bond yield Index, based on current offerings, averages at 3.373% as of Aug. 2, against a 3.35% level a week ago. In terms of dollars this would indicate a market decline of ⅜ths of a point.

The new issue calendar for 30 days has been reduced to about $450,000,000. A week ago this total was close to $540,000,000.

The feature continues to be California's offering of $225,000,000 serial bonds scheduled for Aug. 16. The spacing of large offerings continues to favor intelligent reoffering. The calendar of negotiated offerings continues to be barren of sizable prospects.

Recent Awards

On Thursday, July 27, Onondaga County, New York, came to market with two issues of general obligation bonds totaling $8,270,000. The larger issue, $5,700,000 Highway (1963 - 1976) bonds was awarded to the group headed by the Harris Trust and Savings Bank and including The First Boston Corp., The Marine Trust Co. of Western New York, Stone & Webster Securities Corp., F. S. Moseley & Co., Paribas Corp, and others. The bonds were reoffered to yield from 1.85% to 3.15% for a 3% coupon. The present balance is $1,340,000.

The other portion of the loan, $2,570,000 Sewer (1962 - 1988) bonds, was bought by the syndicate managed jointly by the Bankers Trust Co., The First National City Bank of New York and The Chase Manhattan Bank, and including as majors the Continental Illinois National Bank and Trust Co. of Chicago, Merrill Lynch, Pierce, Fenner & Smith, Inc., and Carl M. Loeb, Rhoades & Co. The issue was priced to yield from 1.50% to 3.40% with a 3¼% coupon. A balance of $1,135,000 bonds remains in account at this writing.

Also Thursday last, Tampa, Florida, awarded $2,850,000 special improvement (1962-1990) bonds to the group headed by Ira Haupt & Co. and including J. C. Bradford & Co., Baxter & Co., Robinson-Humphrey Co., Inc., Rand & Co., and others. The bonds are payable solely from and are secured by a pledge of the proceeds from the service taxes of the various utilities within the city limits. The bonds were scaled to yield from 1.80% to 3.85%. At present $840,000 bonds remain in account.

"Depressed Area"

On Monday, July 31, seven bids were submitted for $4,000,000 Charleston, West Virginia, sewer revenue (1962-2000) bonds. The high bidder was The First Boston Corp. group. Subject to award, the bonds were reoffered to yield from 2.00% to 4.00%. However, the bid was rejected in the late afternoon after about 60% of the bonds were spoken for. It was reported that the rejection was based on the fact that Charleston officials learned on the day of sale that the city could be classified as a depressed area and therefore could qualify for a Federal loan at an interest rate of 3⅜%.

The $16,943,000 State of Maryland various general obligation issue awarded Wednesday, Aug. 2, attracted spirited bidding. The group headed by The Chase Manhattan and The First National City Bank of New York and including among other major underwriters Bankers Trust Co., Halsey, Stuart & Co., Inc., Lehman Bros., Smith, Barney & Co. and Harriman Ripley & Co. won the issue. The bonds were priced to yield from 2.00% to 3.10% for a 3% coupon. At the end of the initial order period, an approximate balance of $6,500,000 bonds remains in account.

Also on Aug. 2, Sacramento, California awarded $10,000,000 Unified School District (1963-1986) bonds to the Bank of America N. T. & S. A. group. The reoffering scale carried yields from 1.85% to a dollar price of 99½ for a 3½% coupon in 1985. The last maturity bore a 1% coupon and was not reoffered. Due to the late hour of sale no balance is available at this writing.

Housing Bonds Feature Week's Activity

The week's largest offering involved $60,315,000 various Public Housing Administration (1962-2002) bonds which came to market on Wednesday. The group managed jointly by Lehman Brothers, Blyth & Co., Inc. and Phelps, Fenn & Co. in association with the account headed by The Chase Manhattan Bank and the Bankers Trust Co. were the successful bidders for 11 of the issues totaling $43,170,000. The F. S. Smithers & Co., Goodbody & Co. group was the high bidder for the remaining $17,145,000 of bonds. The 20 issues carried coupons ranging from 3⅜% to 3⅝%. Orders were to be taken throughout the day. No overall balance is available, but it is estimated that over ⅔s of the bonds would be sold out of the Lehman-Chase account.

Toll Road Bonds

The toll road issues have been easier along with the other phases of the bond market. Changes have been relatively unimportant, however, with the exception of the Indiana Toll Road 3½s which have been subject to a series of vicissitudes which are likely to be favorably resolved over a period of time. In the meantime the bonds have broken 80. The *Smith, Barney & Co.* Turnpike bond yield Index averaged 3.80% when last sampled July 27. This represented a ¼ point sell-off as against the prior week. Quotations today would indicate a further decline.

The summary statement of operations recently issued by the Kansas Turnpike Authority for the month of June indicates further progress. Interest was earned 1.09 times as against 1.00 times for June a year ago. As of Aug. 1, a new toll rate schedule was effected. Rates will be variously increased up to 10%. It is estimated that for 1962 and thereafter the new rates will provide sufficient net revenues to meet requirements. This toll road's progress has been slow but its capability begins to appear less speculative.

An August 1 release by the Ohio Turnpike Commission indicated further progress in attracting truck traffic. Revenues derived from commercial vehicles in July approximated $677,000; the largest realized in the road's July history. The previous record for tolls was $655,151 realized in July 1960.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978–1980	3.75%	3.60%
Connecticut (State)	3¾%	1980–1982	3.40%	3.30%
New Jersey Highway Auth., Gtd.	3%	1978–1980	3.60%	3.50%
New York (State)	3%	1978–1979	3.30%	3.20%
Pennsylvania (State)	3⅜%	1974–1975	3.20%	3.10%
Vermont (State)	3⅛%	1978–1979	3.25%	3.15%
New Housing Auth. (N. Y., N. Y.)	3½%	1977–1980	3.40%	3.25%
Los Angeles, Calif.	3¾%	1978–1980	3.75%	3.65%
Baltimore, Md.	3¼%	1980	3.40%	3.30%
Cincinnati, Ohio	3½%	1980	3.40%	3.30%
New Orleans, La.	3¼%	1979	3.60%	3.50%
Chicago, Ill.	3¼%	1977	3.60%	3.45%
New York City, N. Y.	3%	1980	3.60%	3.55%

August 2, 1961 Index=3.373%

Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set.

Aug. 3 (Thursday)			
Bloomfield, Conn.	1,100,000	1962-1981	11:30 a.m.
Medway, Mass.	1,425,000	1962-1980	11:30 a.m.
North Hempstead S. D. 10, N. Y.	4,525,000	1961-1990	11:30 a.m.
Rolling Hills Sch. Dist., Ohio	1,041,000	1962-1984	Noon
Aug. 7 (Monday)			
Churchill Area Sch. Auth., Pa.	3,790,000	1962-1992	7.30 p.m.
Clark County, Nev.	3,000,000	1962-1981	--------
Dartmouth College, N. Hamp.	1,594,000	1962-1999	11:00 a.m.
Fort Myers, Fla.	1,000,000	1962-1981	7:30 p.m.
Twin Falls, Idaho	1,700,000	1963-1981	8:00 p.m.
Aug. 8 (Tuesday)			
Anchorage, Alaska	4,086,000	1962-1981	10:00 a.m.
Anchorage Indep. S. D., Alaska	3,500,000	1963-1981	10:00 a.m.
Frankfort Sch. Bldg. Corp., Ind.	3,150,000	1964-1991	1:30 p.m.
Grossmont Union High S. D., Cal.	1,590,000	1963-1981	10:30 a.m.
Mobile, Ala.	8,000,000	1962-1990	Noon
Mt. Diablo Unified S. D., Calif.	1,415,000	1962-1981	10:30 a.m.
Pennsylvania General State Auth.	25,000,000	1964-1988	Noon
St. Petersburg, Fla.	14,000,000	1967-1991	11:00 a.m.
Tustin Union High S. D., Calif.	1,000,000	1962-1986	11:00 a.m.
Vero Beach, Fla.	1,200,000	1962-1990	2:00 p.m.
Watertown, Conn.	2,500,000	1962-1981	11:30 a.m.
York County, Va.	1,250,000	1963-1982	Noon
Aug. 9 (Wednesday)			
Box Elder County S. D., Utah	1,250,000	1962-1971	8:00 p.m.
Fairfax County, Va.	9,125,000	1962-1986	Noon
Manchester, N. H.	1,510,000	1962-1981	11:00 a.m.
Maryland State Roads Commission	3,292,000	1962-1976	11:00 a.m.
Newport, Russia, etc. CSD 3, N. Y.	1,190,000	1962-1980	3:00 p.m.
San Juan, Puerto Rico	5,000,000	1963-1982	11:00 a.m.
Wichita Sch. Dist. No. 1, Kan.	1,600,000	1962-1981	10:00 a.m.
Aug. 10 (Thursday)			
Holyoke, Mass.	2,065,000	1962-1986	Noon
Michigan (State of)	2,000,000	1963-1990	2:00 p.m.
Richmond County, Ga.	1,900,000	1962-1989	Noon
Aug. 14 (Monday)			
Berea School District, Ohio	1,400,000	1963-1982	2:00 p.m.
Incline General Impt. Dist., Nev.	5,395,000	1964-1976	11:00 a.m.
Michigan State Board of Education	1,480,000	1963-2000	11:00 a.m.
Rhode Island State Colleges	2,175,000	1962-1999	Noon
Aug. 15 (Tuesday)			
Carteret School District, N. J.	1,400,000	1962-1986	8:00 p.m.
Knoxville, Tenn.	1,400,000	1963-1988	Noon
Paducah, Ky.	7,050,000	1963-1988	1:00 p.m.
Plymouth, Conn.	1,650,000	1963-1982	2:00 p.m.
Washington Sub. San. Dist., Md.	10,000,000	1963-1992	10:30 a.m.
Aug. 16 (Wednesday)			
Ann Arbor, Mich.	2,550,000	1964-1990	2:30 p.m.
California (State of)	225,000,000	1962-1987	10:00 a.m.
University of Mississippi	2,422,000	1963-2000	10:00 a.m.
Aug. 21 (Monday)			
King County, Washington	2,393,000	1963-1991	1:30 p.m.
Aug. 22 (Tuesday)			
Cook County, Ill.	25,000,000	--------	10:30 a.m.
Dixon, Ill.	1,350,000	1964-1981	11:00 a.m.
Montclair, N. J.	1,562,000	1962-1986	8:30 p.m.
Rio San Diego Mun. Dist., Calif.	2,400,000	--------	--------
Speedway Sch. Bldg. Corp., Ind.	3,625,000	1964-1983	2:00 p.m.
West Allis, Wis.	1,415,000	1962-1981	2:00 p.m.
Aug. 23 (Wednesday)			
Kansas City, Mo.	4,034,000	1962-1981	2:00 p.m.
Aug. 24 (Thursday)			
Glendale, Calif.	3,250,000	1962-1981	2:30 p.m.
Pinal County Elec. Dist. 3, Ariz.	2,250,000	1991	11:00 a.m.
Aug. 28 (Monday)			
Bedford School District, Ohio	1,800,000	--------	--------
Aug. 29 (Tuesday)			
San Diego Unif. Sch. Dist., Calif.	20,000,000	1963-1932	--------
Aug. 30 (Wednesday)			
Islip, New York	1,940,000	1962-1981	11:00 a.m.
Aug. 31 (Thursday)			
Rochester, N. Y.	7,100,000	1932-1973	--------
Sept. 5 (Tuesday)			
El Paso County, Texas	1,750,000	--------	--------
Sept. 7 (Thursday)			
Peoples Community Hospital Authority, Mich.	1,550,000	1963-1990	8:00 p.m.

Effect of Proposed Taxes on Savings & Loan Holding Cos.

By M. R. Lefkoe, Securities Analyst, Jesup & Lamont, New York City

The House Ways and Means Committee will hold hearings next week regarding the tax status of mutual banks and savings associations. Examined here, particularly in terms of their impact upon savings and loan holding company associations, are the three different proposals made by the Treasury. Mr. Lefko envisions holding companies shifting out of insured into conventional loans, earnings growth for the industry, and a reduced effective tax rate so long as some true bad debt allowance is permitted. He believes a tax bill will be passed this year and, if so, it will have a minimal effect upon holding companies.

Savings and loan associations have existed in this country for 130 years but until 1952 were completely tax exempt. In 1951, the Senate Finance committee stated that ". . . continuance of their tax free treatment . . . would be discriminatory" and that the earnings of associations should be taxed on the same basis as commercial banks. Although this proposal was favorably reported by the Senate Finance Committee, it was amended on the Senate floor to permit the associations to continue to place earnings into reserve, tax free, until the total of their reserves, surplus, and undivided profits equaled 10% of deposits. In conference this limitation was raised to 12% where it still stands.

Morty Lefkoe

Since 1952, efforts have been made by commercial banking groups to have this 12% provision lowered, making it comparable to their own tax free reserve position which averages 2.4%. Although many bills have been introduced to effect this reduction during the past ten years, Congress has repeatedly seen fit to retain the 12% provision. In 1951, when the first tax measure was passed, the associations held $14.8 billion in non-farm home mortgages, or 29% of the total outstanding. Since 1959, the industry has increased its importance in mortgage lending and as of the past year-end held $55.9 billion in non-farm home mortgages, an increase of 278%. These holdings represented 39% of the estimated total outstanding.

Thus, although the savings and loan industry has found it somewhat hard to justify its tax free bad-debt reserve on the basis of actual losses, it has been able to retain what amounted to a virtual tax shelter due to its growing importance in the area of mortgage financing.

On April 20 of this year, President Kennedy delivered a tax message to Congress in which he stated: "Some of the most important types of private savings and lending institutions in the country are accorded tax deductible reserve provisions which substantially reduce or eliminate their Federal income tax liability. These provisions should be reviewed with the aim of assuring nondiscriminatory treatment."

August 9 and 10 Tax Hearings

Accordingly, the Treasury Department undertook a study of the tax treatment of mutual thrift institutions (savings and loan associations and mutual savings banks) in order to determine whether any changes in the law were necessary. On July 14, Secretary of the Treasury Dillon sent a copy of the results of his study to Congressman Wilbur D. Mills, Chairman of the House Ways and Means Committee. Shortly afterwards, Congressman Mills announced his committee would hold hearings regarding the tax legislation on August 9 and 10.

In essence, the Treasury's report reached the same conclusion that had been reached in 1951 by the Senate Finance Committee and stated that "the existing 12% formula for computing bad debt reserves of the mutual thrift institutions cannot be justified in terms of established tax concepts for computing income." The report further commented that the 12% formula is not a true bad-debt reserve and that even the experience of the depression of the 1930s does not justify the existing reserve provision.

Despite this conclusion, the Treasury report goes on to state that since "the continuation of proper housing programs requires an adequate supply of funds for home mortgages . . . any change in the tax treatment of the mutual thrift institutions, which invest the great majority of their funds in residential mortgages, must be weighed in the light of its possible effect on these programs."

The report stresses this issue by quoting another address by President Kennedy in which he pointed out that residential construction accounts for 30% of our total private investment and that the housing market absorbs more private credit than any other single sector of the economy. It is interesting to note that he stated that the goal of adequate housing should be achieved "to the extent possible . . . by helping private market processes work more effectively — particularly in a period of slump."

During the hearings held by the Treasury, testimony was presented which estimated that a full corporate tax might reduce the supply of residential mortgage funds by $1 billion to $2 billion depending on the particular phase of the business cycle. A reduction of $2 billion in mortgage money supply might reduce new housing construction by 100,000 to 135,000 units per year, a reduction of 8% to 10% based on current estimates of 1,325,000 starts this year. Other estimates ranged as low as a reduction of only $500 million which might be the equivalent of about 35,000 housing starts.

Treasury Suggests Three Plans

It is interesting to note that the Treasury did not recommend any specific measure or method of taxation, but rather, presented three possible methods for the consideration of Congress.

(1) *Full Taxation.* The mutual thrift institutions would be allowed to retain earnings tax free only in accordance with a bad-debt reserve formula comparable to the formula applied to commercial banks, i. e., their bad-debt reserve ceiling would be limited to three times their average annual loss experience over the worst consecutive 20-period since 1927. It was estimated that the application of the above bad-debt reserve would produce an average bad-debt reserve ceiling of between 2% and 3% of uninsured loans. The present formula would thus be changed from a reserve/savings basis to a reserve/uninsured loans basis.

In computing tax deductible additions to bad-debt reserves for the future, the full amount of existing reserves would be split between a "true" bad-debt reserve and an "excess" bad-debt reserve. Only the true bad-debt reserve would be taken into account in computing future tax-free additions which could be made as uninsured loans increase and as losses are sustained.

Assuming a "true" bad-debt reserve of 3%, the imposition of a full corporate tax would still allow these institutions to place a portion of their earnings into a tax-free reserve. The following table shows what the effective tax rate would be given several different growth rates of their mortgage portfolio and assuming various returns on the portfolio.

Estimated Effective Tax Rates

Average return on loans	Rate of growth of loans 20%	25%	30%
	Tax rate		
1.0%	23.6%	17.3%	11.3%
1.5	33.1	28.9	24.9
2.0	37.8	34.7	31.7
2.5	40.7	38.1	35.7

Based on the a 24.3% increase in their mortgage portfolio and return of 1.98% on average loans outstanding during the year, the 16 Western Savings & Loan Holding Companies would have had an effective tax rate of 36.2% in 1960. This calculation assumes a complete absence of insured loans held. Since less than 10% of their loan portfolio is in insured loans, the actual effective tax would have been somewhat higher. Nevertheless, if such a proposal had become law prior to last year, the holding company associations (which are currently making a negligible amount of insured loans) would have sold off most of their insured loans during the year and replaced them with conventional loans.

Although last year's effective rate provides an indication of what the worst possible tax measure could do to the holding companies, the above table vividly points out the difference between effective tax rates depending on the growth in the loan portfolio and the return on the average portfolio. By increasing their advertising and other promotional expenditures in order to attract savings and by reducing their rate charged on new loans, the holding company associations could increase their growth considerably. While their return on loans would be reduced, *total* earnings would still continue to increase at approximately the same rate; nevertheless, the effective tax rate would be reduced. For example, a 36% increase in their mortgage portfolio and a return of 1.88% in average loans would produce the same net earnings; the effective tax rate would only be about 26.7%.

(2) *Transitional Taxation.* The Treasury stated, "If, because of the risk of possible adverse impact on the home mortgage market resulting from a sudden imposition of ordinary income taxation, transitional methods of taxation were regarded as appropriate, [an] alternative could be considered." Under this alternative approach, these institutions "would be allowed a 'true' bad-debt reserve and in addition would be allowed to deduct for tax purposes a diminishing percentage of any additional retained earnings."

(3) *Partial Taxation.* Here the Treasury seemed to admit that despite all of its previous reasoning, housing considerations might deter Congress from imposing a full income tax liability, even over a period of time, and consequently suggested that, as a final alternative, some formula be worked out which would provide a tax yield of between $125 and $150 million. Recent figures estimate that savings and loan associations had earnings of about $551 million for 1959. More current data for mutual savings banks indicate earnings of $144 million for 1960. Combining these two figures produces an estimated earnings figure of $695 million. Therefore, the Treasury's request for at least $125 to $150 million would result in an effective tax rate of 18% to 22%.

A careful analysis of the Treasury's report and the history of the controversy, along with the opinion of informed sources in Washington, would ordinarily have led us to the opinion that, although taxation is inevitable within the next year or two, no action will be taken this year.

However, as a result of President Kennedy's address to the nation regarding the Berlin situation and his request for $3½ billion in additional defense spending, the budget deficit this year is expected to exceed $5 billion, and it appears unlikely that Congress will completely overlook the large potential revenue which would result from some partial taxation of the mutual thrift institutions.

Although none of the specific aforementioned proposals may be passed, and the effect of any conceivable tax measure on the holding companies will be minimal, I believe the odds currently favor some change in the industry's tax status this year.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:

Aerospace Industry—Review—A. M. Kidder & Co., Inc., 1 Wall St., New York 5, N. Y. Also available are data on **Green Shoe Manufacturing Co., Boothe Leasing Corp.** and **Brown Forman Distillers.**

Bank, Insurance and Savings & Loan Stocks—Bulletin on market performance—Kidder, Peabody & Co., 17 Wall Street, New York 5, N. Y.

Bank Stocks—Quarterly comparison of leading banks and trust companies of the United States—New York Hanseatic Corp., 120 Broadway, New York 5, N. Y. Also available is a card memorandum on **Broken Hill Proprietary.**

Boating Industry—Analytical brochure on the industry and boat manufacturers—R. A. Holman & Co., Incorporated, 54 Wall Street, New York 5, N. Y.—50c per copy.

Canadian Common Stock Comparisons — Comparative figures—Equitable Brokers Limited, 60 Yonge St., Toronto 1, Ont., Can.

Canadian Oil—Review—The Bank of Nova Scotia, Toronto, Ont., Canada.

Construction Field—Brochure on growth companies—Peter Morgan & Co., 149 Broadway, New York 6, N. Y.

Electric Utilities—Analysis—Jas. H. Oliphant & Co., 61 Broadway, New York 6, N. Y.

Favorite Fifty—List of securities favored for the third quarter of 1961—Van Alstyne, Noel & Co., 40 Wall Street, New York 5, N. Y.

Investing for Banks — Major B. Einstein—First National Bank in St. Louis, 305 North Broadway, St. Louis 66, Mo.

Investment Clubs for Women—Booklet on basic procedures for starting and operating an investment club—National Association of Investment Clubs, First National Building, Detroit 26, Mich.

Japanese Market — Review—Yamaichi Securities & Co., of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are reviews of **Asahi Glass Co., Ltd.** and **Mitsubishi Shipbuilding and Engineering Co.**

Japanese Stocks — Handbook for investment, containing 20 essential points for stock traders and investors — The Nikko Securities Co., Ltd., Tokyo, Japan — New York office 25 Broad Street, New York 4, N. Y.

Japanese Stock Market — Survey —Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available are analyses of **Yawata Iron & Steel; Fuji Iron & Steel; Hitachi Limited** (electronics); **Kirin Breweries; Sumitomo Chemical; Toyo Rayon; Toanenryo Oil Company; Sekisui Chemical Co.** (plastics); **Yokohama Rubber Co.;** and **Showa Oil Co.**

Japanese Stock Market — Review —Daiwa Securities Co., Ltd., 149 Broadway, New York 6, N. Y.

Machine Tool Industry—Analysis —With particular reference to the **Cross Company, Giddings & Lewis Machine Tool Company, Kearney & Treckler Corp., Seneca Falls Machine Company** and **Warner & Swasey Company**—Troster, Singer & Co., 74 Trinity Place, New York 6, N. Y.

New York Banks — Bulletin—Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available is a memorandum on **Martin Co.**

New York City Bank Stocks—Third Quarter Statistics — Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Over-the-Counter Index — Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in **the National Quotation Bureau Averages,** both as to yield and market performance over a **23-year period** — National Quotation **Bureau, Inc.,** 46 Front Street, **New York 4, N. Y.**

Pakistan — Detailed illustrated brochure—Bank of America, N. T. & S. A., 300 Montgomery St., San Francisco 20, Calif.

Rail Stocks for income and cyclical recovery—Review—Dean Witter & Co., 45 Montgomery St., San Francisco 6, Calif.

Rubber Industry—Report—Thomson & McKinnon, 2 Broadway, New York 4, N. Y. Also available are reports on **P. Lorillard Co.** and **Phillips Petroleum.**

Steel Industry — Memorandum—Steiner, Rouse & Co., 19 Rector St., New York 6, N. Y. Also available is a memorandum on **Motor Trucks.**

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American Can Company—Survey —Schirmer, Atherton & Co., 50 Congress St., Boston 9, Mass. Also available are surveys on **Harvey Wells Corp., General Motors Corp.** and **Florida Water & Utilities Co.**

American Can Co.—Memorandum —E. F. Hutton & Co., 1 Chase Manhattan Plaza, New York 5, N. Y.

American Cryogenics—Analysis—Powell, Kistler & Co., 110 Old St., Fayetteville, N. C.

American Metal Climax—Report —Hemphill, Noyes & Co., 8 Hanover St., New York 4, N. Y. Also available are reports on **Maryland Cup Corp., Sanders Associates** and **Tidewater Oil.**

American Viscose Corporation—Analysis—Winslow, Cohu & Stetson, 26 Broadway, New York 4, N. Y.

Atlas Credit Corp.—Survey—Colby & Co., Inc., 85 State St., Boston, Mass. Also available is a survey of **Seaboard & World Airlines.**

Benrus Watch Co. — Analysis—Hill, Darlington & Grimm, 2 Broadway, New York 4, N. Y.

Boeing Co.—Analysis—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Brothers Chemical Co.—Analysis —Martin, Monagham and Mulhern, Inc., 9 Rittenhouse Place, Ardmore, Pa.

Campbell Chibougamau Mines Ltd.—Review—Ross, Knowles & Co., Ltd., 25 Adelaide St., West, Toronto, Canada.

Canadian Pacific Railway — Analysis—C. M. Oliver & Co., Ltd., 821 West Hastings St., Vancouver 1, B. C., Canada.

Canadian Superior Oil of California—Memorandum—E. A. LeVay & Co., 79 Wall St., New York 5, N. Y.

Carwin Co. — Memorandum—Draper, Sears & Co., 50 Congress Street, Boston 2, Mass.

Consolidated Freightways — Analysis—L. A. Caunter & Co., Park Building, Cleveland 14, Ohio.

Consolidated Freightways — Report—Universal Securities Corp., Brown-Marx Bldg., Birmingham 3, Ala.

Crane Co.—Analysis—Dreyfus & Co., 2 Broadway, New York 4, N. Y.

Dominion Tar & Chemical Co., Ltd. — Report—Annett Partners Ltd., 320 Bay Street, Toronto, Ont., Canada.

Dominion Tar & Chemical Co., Ltd. — Memorandum—Purcell & Co., 50 Broadway, New York 4, N. Y.

Electrical & Musical Industries—Analysis—Peter P. McDermott & Co., 42 Broadway, New York 4, N. Y.

Empire Financial Corp.—Report—Taylor, Bergen, Lynn & Lee, 1830 West Olympic Blvd., Los Angeles 6, Calif. Also available is a report on **Davis Industries.**

Firestone — Memorandum — Edward D. Jones & Co., 300 North Fourth Street, St. Louis 2, Mo.

First Republic Corp.—Discussion —Stearns & Co., 80 Pine Street, New York 5, N. Y.

Fluidgenics — Analysis—Mora & Co., 9641 Santa Monica Blvd., Beverly Hills, Calif.

Ft. Worth Steel and Manufacturing Co.—Report—Aetna Securities Corp., 111 Broadway, New York 6, N. Y.

Frank Paxton Lumber Co.—Analysis—Stern Brothers & Co., 1009 Baltimore Ave., Kansas City 5, Mo.

General Electric—Memorandum—Pershing & Co., 120 Broadway, New York 5, N. Y.

General Precision Equipment—Memorandum — Shearson, Hammill & Co., 14 Wall St., New York 5, N. Y. Also available are memoranda on **General Drive-In, Pet Milk** and **Spartans Industries.**

General Waterworks Corp.—Analysis—Butcher & Sherrerd, 1500 Walnut St., Philadelphia 2, Pa.

Greater New Orleans Expressway Revenue Bonds—Analysis—Ladd Dinkins & Co., NBC Bldg., New Orleans 12, La.

Greenfield Real Estate Investment Trust — Data—Boenning & Co., 1529 Walnut St., Philadelphia 2, Pa. Also available are data on **Reheis Co.**

Gulf Coast Leaseholds — Memorandum—Carothers & Co., Inc., Mercantile Bank Bldg., Dallas 1, Tex.

Haloid-Xerox — Memorandum—Schwabacher & Co., 100 Montgomery St., San Francisco 4, Calif. Also available are memoranda on **Bristol Myers** and **Signal Oil & Gas Co.**

Haveg Industries—Report — Blair & Co., Inc., 20 Broad St., New York 5, N. Y. Also available are reports on **International Resistance Co., Pillsbury Co.** and **Revlon, Inc.**

Houston Fearless Corp.—Analysis —C. E. Bush & Co., Security Bldg., Denver 2, Colo.

International Harvester Co.—Analysis—Eastman Dillon, Union Securities & Co., 15 Broad Street, New York 5, N. Y.

Jefferson Lake Asbestos Corp.—Analysis—A. G. Edwards & Sons, 409 North Eighth St., St. Louis 1, Mo. Also available are bulletins on **Anheuser Busch, Inc.** and **Petrolite Corp.**

Kalvar Corp. — Analysis—L. H. Rothschild & Co., 52 Wall Street, New York 5, N. Y.

Lockheed—Memorandum — Herzfeld & Stern, 30 Broad Street, New York 4, N. Y. Also available is a memorandum on **Safeway Stores.**

Magma Copper—Report—Shields & Co., 44 Wall St., New York 5, N. Y.

P. R. Mallory & Co., Inc.—Analysis—H. Hentz & Co., 72 Wall St., New York 5, N. Y. Also available is a memorandum on **Alden's Inc.**

Marine Midland Corp.—Analysis —John H. Lewis & Co., 63 Wall Street, New York 5, N. Y.

May Department Stores—Review —Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of **Consumers Power Co.**

McNeil Machine & Engineering Co.—Analysis—McDonald & Co., Union Commerce Bldg., Cleveland 14, Ohio.

Minnesota Mining & Manufacturing — Review — Hirsch & Co., 25 Broad Street, New York 4, N. Y. Also available are reviews on **Chas. Pfizer & Co.** and **Spiegel, Inc.**

National Aeronautical Corp.—Analysis—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y.

National Old Line Insurance Co. —Analysis—Equitable Securities Corp., 322 Union Street, Nashville 3, Tenn.

North American Aviation—Memorandum—F. P. Ristine & Co., 15 Broad Street, New York 5, N. Y. Also available is a memorandum on **International Nickel.**

Olin Mathieson—Chart memorandum—Auchincloss, Parker & Redpath, 2 Broadway, New York 2, N. Y.

Olin Oil & Gas—Bulletin—Jacques Coe & Co., 39 Broadway, New York 6, N. Y.

Pacific Vegetable Oil Corp.—Analysis—Turner-Poindexter & Co., 634 South Spring St., Los Angeles 14, Calif.

Parker Pen Co.—Review—Robert W. Baird & Co., 110 East Wisconsin Avenue, Milwaukee 1, Wis. Also available is a report on **Truax Traer Coal.**

Pauley Petroleum—Report—William R. Staats & Co., 640 South Spring St., Los Angeles 14, Calif.

Peerless Tube Co.—Analysis—G. A. Saxton & Co., Inc., 52 Wall St., New York 5, N. Y.

Pillsbury Co. — Memorandum—Hornblower & Weeks, 40 Wall St., New York 5, N. Y.

Protective Security Life Insurance Co. — Analysis—Olmstead, Allen & Co., 5455 Wilshire Blvd., Los Angeles 36, Calif. Also available are analyses of **G. D. Searle & Co.** and **Sunset House Distributing Corp.**

Puget Sound Power & Light Co. —Data—Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y. Also available are data on **Flintkote Co., National Tea, G. D. Searle & Co.,** and **Brunswick Corp.,** a bulletin on **Fixed Income Securities,** an analysis of **Copper Range Co.,** and memoranda on **Cenco Instruments, Haveg Industries, Inc., International Nickel Co.** and **Schenley Industries.**

Ryan Aeronautical Co.—Analysis —A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill.

Sanders Associates—Memorandum —Craig - Hallum, Kinnard, Inc., 133 South Seventh Street, Minneapolis 2, Minn.

Herman H. Smith, Inc.—Memorandum—First Broad Street Corp. 80 Pine St., New York 5, N. Y.

Southern Pacific Co. — Report—Bateman, Eichler & Co., 453 So. Spring Street, Los Angeles 13, Calif.

Spartans Industries — Memorandum—Cowen & Co., 45 Wall St., New York 5, N. Y.

Stocker & Yale, Inc.—Analysis—First Weber Securities Corp., 79 Wall Street, New York 5, N. Y.

Storer Broadcasting — Memorandum—Glore, Forgan & Co., 135 South La Salle Street, Chicago 3, Ill.

Underwater Storage, Inc.—Information—Searight, Ahalt & O'Connor Inc., 115 Broadway, New York 6, N. Y.

United Fruit Co. — Analysis — Emanuel, Deetjen & Co., 120 Broadway, New York 5, N. Y.

U. S. Borax & Chemical—Analysis—Penington, Colket & Co., 70 Pine St., New York 5, N. Y.

United States Servateria Corp.—Report—Loewi & Co., Inc., 225 East Mason St., Milwaukee 2, Wis. Also available are reviews on **Aqua-Chem Inc.** and **Thomas & Betts Co.**

U. S. Vitamin & Pharmaceutical Corp.—Bulletin—De Witt Conklin Organization, Inc., 120 Broadway, New York 5, N. Y.

Vanguard Air & Marine Corp.—Report—Pearson, Murphy & Co., Inc., 50 Broad St., New York 4, N. Y.

Virginia Chemicals & Smelting Co.—Analysis—J. C. Wheat & Co., 1001 East Main St., Richmond 19, Va.

Washington Steel Corp.—Analysis —Chesley & Co., 105 South La Salle Street, Chicago 3, Ill.

Westgate California Corporation—Analysis — Parker Ford & Company, Inc., Vaughn Building, Dallas 1, Texas.

Lee Higginson Officers

John M. Cronin, Assistant Secretary of Lee Higginson Corp., 20 Broad St., New York City, members of the New York Stock Exchange, also became a Vice-President of the firm. Frederick B. Davidson, also an Assistant Secretary, became an Assistant Vice-President as well.

California Investors Add

LONG BEACH, Calif.—Bertram W. Trundell and John E. Simonson have joined the staff of California Investors, 4376 Atlantic Ave.

The State of TRADE and INDUSTRY

Steel Production
Electric Output
Carloadings
Retail Trade
Food Price Index
Auto Production
Business Failures
Commodity Price Index

Business activity continued to advance through the second quarter, with important gains occurring during June in employment, income, and industrial production, according to the monthly review of the business situation prepared by the Commerce Department's Office of Business Economics for publication in the July issue of its monthly *Survey of Current Business*. Nonfarm employment has shown a rise of nearly a million during the second quarter; the flow of personal income in June was running at a rate of 3½% above the February recession low.

The May-June increase in industrial production boosted most major industry groups and brought the Federal Reserve seasonally adjusted production index (1957=100) back into the 110-111 range of a year ago. Passenger car completions totaled 560,000 during June, 20,000 higher than the May mark and the highest total since November, 1960. Steel output, however, declined about 7% during the month and continued to fall during early July.

While nonfarm employment rose during the month, the large number of students entering the labor force prevented the unemployment rate from falling below the 7% range which it has held for several months.

As in previous upturns, some of the recent gains in output have been effected by a longer workweek. Hours worked in manufacturing reached 40 during June, almost two hours more than the average at the low point of late 1960.

Personal income advanced for the fourth month since February to an annual rate of $416½ billion, an increase of $3½ billion over May. Payrolls, especially factory payrolls, rose sharply during June, and increases were general among other income flows.

Retail sales, at a seasonally adjusted rate of $18.3 billion, showed moderate gains in both durable and nondurable lines. Still, the increase in retail sales has not been proportional to the rise in income. With income considerably above the same period last year, sales are below a year ago in automobiles, furniture, appliances, building materials, and hardware. Nondurable goods sales have remained within a narrow range of $12.3 to $12.6 billion. Expenditures for services, however, have been rising.

Government spending increased at all levels including state and local expenditures. Higher defense spending and payments to farmers under the feed grain program accounted for much of the rise in Federal outlays.

Inventory liquidation, a depressing factor earlier this year, has apparently ceased. The primary change in the inventory situation during June was a small rise in the inventories of nondurable goods industries. The durable goods industries have stopped lowering their stocks. In general, production is now more closely related to final demand.

Bank Clearings Were 9.1% Above Corresponding Week Last Year

Bank clearings this week will show an increase compared with a year ago. Preliminary figures compiled by the *Chronicle*, based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, July 29, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 9.1% above those of the corresponding week last year. Our preliminary totals stand at $28,124,735,152 against $25,787,181,418 for the same week in 1960. Our comparative summary for some of the large money centers follows:

Week end. July 29—	(000s omitted) 1961	1960	%
New York	$15,416,893	$13,910,502	+10.8
Chicago	1,247,183	1,212,525	+ 2.9
Philadelphia	1,076,000	1,013,000	+ 6.2
Boston	815,378	772,151	+ 5.6

Some Steel Buyers Protect Themselves Against Extended Deliveries This Fall

Some steel buyers are protecting themselves against the possibility of extended deliveries in the fall even though mills still offer fast service on most products, *Steel* magazine reported.

They realize that if they wait until suppliers start quoting four week deliveries instead of two, other users with minimum inventories may rush into the market and start competing with them for tonnage. Four week promises could go to six weeks overnight.

In the East, buying appears to be running slightly ahead of consumption.

Chicago steelmakers, who predicted two weeks ago that August shipments would not equal July's, are talking more optimistically. They now believe shipments will be slightly lower than July's on a daily average basis (because August has three more shipping days) but 5 to 10% higher in the aggregate.

Steel demand over-all is trending upward as metalworking plants end vacations and automakers prepare for initial runs of 1962 models.

In part, the market's better tone reflects improved sales of household appliances. Makers of washers, ranges, and refrigerators are recalling laid off workers and stepping up production. Result: Better demand for cold rolled sheets, silicon steel and enameling stock.

The order backlog of concrete reinforcing bars is the largest among the heavier finished steel products. Unfilled business is unevenly distributed among mills and distributors because of prolonged price competition.

Demand for galvanized sheets is well sustained. Several producers are booked into October.

Structural shapes are moving actively at most mills and service centers, but independent fabricators are not doing so well because of competition from mills and other independent shops.

August shipments of automotive steel will be up slightly from July's, reflecting the start of the 1962 model production. Only one major producer and a few scattered plants of another are still turning out 1961 models.

This week's steel production will be about the same as the 1,860,000 tons that *Steel* estimates the industry poured last week. July's output will be about 8.1 million tons (vs. 8,551,000 tons in June).

Prices of several forms of threaded fasteners are being revised upward an average of 4.5 to 5%. Products affected include cap screws and nuts. The increases are being made through reduction of discounts..

Steel's composite price on No. 1 heavy melting grade of scrap held at $37 a gross ton for the third consecutive week. Consensus in the trade is that the next price move will be upward on prospects of increased consumption in August.

Nonferrous users are standing pat on stocks. *Steel's* nationwide quarterly survey of purchasing agents indicates that the average metalworking firm will be carrying nonferrous stocks of 30 to 60 days over the next three months.

Steel Production to Reach Higher Level Than Previously Expected

The buildup in steel through this year will be gradual. But it will be more sustained and reach a higher peak than has been expected, *The Iron Age* reports.

This is based on a complex of factors that is slowing demand for August and September but will advance the recovery timetable as the year draws to a close. Predictions of close to 100 million tons of steel produced this year now seem well in hand, the magazine says.

The Iron Age points to Detroit as the brake on the late summer recovery. Setbacks of auto tonnage from August to September indicate automakers are awaiting outcome of labor negotiations. In addition, greater availability of steel for fast delivery, plus some new softness in prices, contributes to lethargy among steel buyers.

At the same time, some factors that could be expected to bring about a quick strengthening of demand are largely ignored—for the moment. These include the Berlin crisis and a potential arms buildup, possibility of price increases after Oct. 1, and the better state of general business.

Although these factors are not getting immediate attention, they will contribute to a much stronger buildup later this year. And just when this buildup gets under way, strike hedging against the 1962 steel labor negotiations will enter the picture to strengthen demand.

Steel operations, now moving along at only about 60% of capacity probably won't average more than 65 for the third quarter. But 75 to 80% for the fourth quarter is likely.

This means delivery dates on steel will lengthen out progressively. Immediate delivery for many products, now a rule of thumb, will not be possible. A factor here will be the certainty of a strong demand from Detroit when automakers get their bearings after labor problems are resolved. A pent-up demand from automakers will make it tough for other users of cold-rolled, galvanized and other products when the automakers come into the market in full force.

Meanwhile, steel buyers are not being stampeded by any of these influences, either psychological or real. There is little evidence of a summer buildup as a hedge against higher prices, a national emergency, or the potential market tightening.

Steel Production Data for the Week Ended July 29

According to data compiled by the American Iron and Steel Institute, production for week ended July 29, 1961 was 1,818,000 tons (*97.6%), 2.2% below output of 1,858,000 tons (*99.7%) in the week ended July 22.

Production this year through July 29, amounted to 52,386,000 tons (*93.7%), or 20.8% below the 66,135,000 tons (*118.3%) in the period through July 30, 1960.

The institute concludes with Index of Ingot Production by Districts, for week ended July 29, 1961, as follows:

	*Index of Ingot Production for Week Ending July 29, 1961
North East Coast	99
Buffalo	79
Pittsburgh	88
Youngstown	87
Cleveland	99
Detroit	96
Chicago	105
Cincinnati	116
St. Louis	110
Southern	105
Western	112
Total industry	97.6

* Index of production based on average weekly production for 1957-1959.

Auto Operations Continue Down As Model Changeover Accelerates

The U. S. auto industry's annual model changeover, coming almost a month earlier in 1961 than in other years, resulted in the closing of 15 more car assembly plants around the nation last week, *Ward's Automotive Reports* said.

The statistical agency said that Chrysler Corp. and American Motors both completed 1961 model buildouts as of July 28, and with the phaseout earlier this week by Buick division of General Motors, only Chevrolet, of the GM group, has yet to conclude 1961 model making. Chevrolet did close seven plants last week, but will operate three others for brief sessions next week.

Ford Motor Co., by the end of the present week, will be the only auto maker still in production of 1961 model cars. The company ended runs at its Wayne, Mich. Mercury and San Jose, Calif. plants on July 28, but still had 14 plants in operation at the outset of this week. However, the standard Ford facility at St. Louis has been strike-bound since a walkout on July 26. Studebaker-Packard Corp. has been in model changeover since June 21.

Ward's set industry output for week ended July 29, at 75,911, a decline of 26.2% from 102,855 cars turned out in the previous week, and 29.0% below 107,019 produced in the same week of 1960.

Model year production, *Ward's* estimated, will approach 5.4 million cars, compared with 6,011,481 for the 1960 model year; 5,568,046 during the 1959 session, but well ahead of 4,260,039 of the recession-plagued 1958 run.

The early changeover this year, the statistical agency said, would tend to distort any comparison of July production to output for the same month in other years. Expected to tally at about 400,000, it will be below July, 1960 (434,377) and July, 1959 (555,410), but above the same month of 1958 (321,017).

Of last week's output, General Motors accounted for 35.9%, Ford Motor Co. 46.2%, Chrysler Corp. 6.9%, American Motors 11.0%.

Carloadings Down 5.8% From 1960 Week

Loading of revenue freight in the week ended July 22 totaled 584,137 cars, the Association of American Railroads announced. This was an increase of 10,831

Continued on page 28

Measures the U. K. Must Take to Solve Its Problems

By the Rt. Hon. Selwyn Lloyd, C.B.E., T.D., Q.C., M. P., Chancellor of the Exchequer, London, England*

Carrying out provisions made in April 17th budget, Exchequer Lloyd announces policy to back up astringent monetary policy with austere customs and excise surcharges in an attempt to end "over-drawing on our productivity accounts." The announced goal is to end rising costs and prices which have led to a marked deterioration in the balance of payments. Program calls for raising the Bank rate from 5 to 7%; tightening up on personal consumption and property development credit; increasing consumption taxes to shrink purchasing power and raise revenue; containing future governmental lending and new borrowing and the cost of overseas expenditures and subjecting new investment outflow to Non-Sterling Area to a severe test of beneficialness to the U. K. He also announced drawing from the I. M. F. to fortify reserves; added the unexpected prospect of capital gains; and appealed for voluntary wage and dividend restraint.

In my Budget Speech on April 17, I referred to the unsatisfactory balance of payments and the probable expansion of home demand with its effect upon costs, and upon our competitiveness. I provided for a very large surplus of over £500 million sterling above the line,[1] but I clearly indicated that I thought the situation might require further measures. I asked for two new powers—the regulators.


Selwyn Lloyd

In the three months since the Budget, home demand has continued to increase and is likely to increase even more than was then foreseen. There are labor shortages in most areas. Investment is rising strongly. The building industry already has more demand upon it than it can satisfy, and parts of the engineering industry are coming under increasing pressure.

Simultaneously with the increase of pressure on our domestic resources, we are faced with a critical external situation. This is the third successive year in which our balance of payments has been in deficit and this is clearly not a situation which can be allowed to continue.

Taking 1960, the deficit on current account was about £350 million sterling and there was also a net movement overseas of capital funds, by way of government loan and private investment, of £200 million sterling. This was not reflected in the reserve figures because of a large flow of funds to London. Indeed, during 1960 the reserves rose by £177 million sterling and in addition we strengthened our position with the I. M. F. to the tune of about £130 million sterling.

During the first half of 1961 our current account was still in deficit though at a substantially lower rate than last year. There have, however, been heavy withdrawals of short-term balances and, in spite of the Ford transaction and the prepayment of German debt, our reserves of gold and dollars have fallen by £164 million sterling over the past six months. This fall would have been much greater but for the special arrangements made with the central banks.

If rising personal demand and rising investment demand are not matched by increased production, the burden falls on the balance of payments. We have less for exports and we import more. In addition prices go up, our competitiveness suffers and it becomes more difficult to sell our goods abroad.

Aims at the Present Time

In my view therefore, our aims at the present time should be as follows:

Firstly, we should maintain investment in productive industry with a view to the long-term growth of the economy. At the same time we must make ourselves more competitive. Both are vital for a long-term improvement in the balance of payments.

Secondly, we must see that public expenditure is brought under better control.

Thirdly, we must take action designed to protect our position in the immediate future.

The proposals which I will now outline are in part long-term and matters to which I have been giving consideration for some time; in part they are required by the exigencies of the present situation.

Growth in the Economy

I will deal first with growth in the economy. The controversial matter of planning at once arises. I am not frightened of the word. One of the first things I did when appointed Chancellor was to ask for a plan of the program for development and expenditure in the public sector for five years ahead. I referred to the problem as affecting the economy as a whole, in my speech in the economic debate last February. I have thought about it a great deal since and discussed it with representatives of both sides in industry. In addition to plans in the public sector, including those of the various nationalized industries and plans for certain industries in the private sector, developments in the economy as a whole are studied by a number of bodies. These include the Economic Planning Board presided over by the Permanent Secretary to the Treasury, the National Production Advisory Council on Industry, over which I preside, and various other advisory councils. I think the time has come for a better coordination of these various activities. I intend to discuss urgently with both sides of industry procedures for pulling together these various processes of consultation and forecasting with a view to better coordination of ideas and plans. I stated some time ago that I thought that an annual increase of 3% in the Gross National Product was feasible, but only if we have a 6% annual expansion of exports. I want to discuss with both sides of industry the implications of this kind of target for the various sectors of the economy.

To suggest that British industry is generally inefficient gives a totally false picture. We have many go-ahead and progressive concerns whose performance matches that of similar ones anywhere else in the world. In addition in the field of exports bodies like the Western Hemisphere Export Council and the Export Council for Europe are doing excellent work. But in substantial areas of industry there is room for a greater readiness on the part of both sides for radical changes in outlook and methods. That will be assisted in my view by the reductions in tariffs which should come from current negotiations. Much more effort is still needed in the training of skilled labor. A determined attempt is needed to deal with restrictive practices which are out of date. A start was made with the Restrictive Practices Act, dealing with one aspect, but there is much more to be done by both sides of industry.

Costs

But today I want to deal in particular with one aspect of the drive towards lower costs. The wages and salaries bill for 1960-61 was about £1,000 million, or 8% higher than in 1959-60. Over the same period, incidentally, company profits fell by about £13 million. Personal incomes other than wages and salaries (largely rents, dividends, interest and income from self-employment) rose by £450 million or 6½%. In the same period, gross dividends formed £161 million of this—a 20% increase. Over the same period national production in real terms rose by £650 million, or by about 3%. These are the figures—£1,450 million increase in personal income against £650 million increase in production—and they do not make sense. Of course, one has to deduct tax and savings from the first figure to get the amount actually spent, but the second has to provide not only for increased personal consumption but also for increased public expenditure, private investment and exports. These figures reveal, in the simplest form, what is our present difficulty, what it is all about. We are cashing in ahead of production, and in the process making ourselves uncompetitive.

Profit margins are now being squeezed to some extent, but in some cases they are still too high.

Dividends

With regard to dividends, although it is true that, gross, they represent only 7% of the figure for wages and salaries, and net of tax even less, they have increased substantially. In the present circumstances, I do not consider that a further general increase in them in the coming year is justified.

Tax Free Profits

Before I deal with wages and salaries I want to say something about those profits which escape taxation. I have already explained my practical objections to a conventional capital gains tax. However, that does not affect my view that certain profits at present tax free should be brought within the existing system of taxation. I said so in my budget speech and again the other day. I have made sufficient progress in this matter to be able to say definitely that in next year's budget I shall be bringing forward measures designed to impose a clear liability to tax over a wider field than at present. The activities I want to see taxed are of two main kinds. The first kind are those seeking short-term profits, which are more in the nature of speculation than investment; for example, short-term transactions in shares and securities. The second kind are, in effect, trading activities (often in real estate) but cloaked in such form as to escape liability under the present law.

Wages and Salaries

Turning to wages and salaries. Of course, increases in real wages and salaries are desirable but only provided national productivity increases sufficiently, always remembering that increases for those who work in fields such as the social services have to be found out of increases of productivity in industry. As the figures which I gave a little time ago show, at present we are heavily overdrawing on our productivity account.

In my view there must be a pause until productivity has caught up, and there is room for further advances. It is not possible in any general statement to cover every particular case. Where commitments have already been entered into, they should be met. Subject to this however, a pause is essential as a basis for continued prosperity and growth. In those areas for which the government has direct responsibility we shall act in accordance with this policy. The government ask that the same lines should be followed elsewhere both in the private sector and in those parts of the public sector outside the immediate control of the government.

In itself, however, such a pause is certainly not a lasting solution to the problem of rising costs and prices. A pause must mark the beginning of a new long-term policy. That policy is that increases in incomes must follow and not precede or outstrip increases in national productivity. During the pause we must work out methods of securing a sensible long-term relationship between increases in incomes of all sorts and increases in productivity.

Public Expenditure

I now come to public expenditure. I shall have more to say about this later. It is now so great that unless it is brought into a proper relationship with the resources likely to be available in the long-term, our chances of sound growth will be gravely prejudiced. I also want some immediate contribution from the public sector towards lightening the present overload on the economy. In making these adjustments, we must see that priority is given to what directly affects national efficiency, and that we do not wastefully disrupt programs under way. We shall, therefore, not interfere with the investment that the Nationalized Industries require for attaining their financial targets and providing essential supplies and services. The sums required for assistance to industry will fall away next year, and we shall apply very strict criteria to any new proposals. We shall have to look critically at the level of agricultural support during the 1962 review. In the services provided by Central and Local Government, we shall have to ask for desirable proposals to be postponed or abandoned. Authorizations and loan sanctions to Local Authorities will have to be considerably reduced. The House Purchase Scheme under the 1959 Act, which is now costing about £40 million will, in consultation with the Building Societies Association, be suspended.

Next year, unless checked, government supply expenditure will rise substantially. I intend to do my utmost to keep this increase at a level not more than 2½% in real terms, which should be within our expanding capacity to

[1] Ed. Note: Above the line deals with current revenue and expenditures in the budget.

carry, that is to say about £125 million above the Estiimates for 1961-62.

This increase in supply expenditure over the 1961-62 Estimates will be broadly offset by the savings below the line[2] following the completion of the steel loans and the suspension of the House Purchase Scheme. Taking it all together, I would put the effect of the decisions which we have taken as being to reduce the load in 1962-63 by some £175 million sterling compared with what it would have been otherwise, to which can be added £125 million sterling on account of the savings below the line, or about £300 million sterling in total.

I do not wish to create any false impression about this; except for the below the line items these are not cuts on this year's figures. They are part of the process of containing future expenditure for which I ask the House's wholehearted support.

With regard to this year's expenditure, it would be a waste of resources to delay work in progress or to postpone necessary maintenance. Nevertheless, there will be a stringent re-examination to see what savings can be made in administration and in other respects.

Opposes Size of Teachers' Pay Demands

On one particular matter affecting public expenditure the Minister of Education will inform both sides of the Burnham Committee that, while recognizing that teachers have a good case for some increase in pay, the government cannot agree to the size of the increase in salaries for teachers in primary and secondary schools as proposed in the Burnham Committee's provisional agreement. The Minister is also concerned about the distribution of the proposed increases. He will therefore ask the Committee to make some reduction in the increase, and will give them his views on how the revised sum might best be distributed to meet the needs of the education service.

My Right Honorable Friend will also discuss with the constituent Associations how in future the Government's views can best be made known to the Committee at an earlier stage.

Overseas Expenditures

Before I deal with the private sector at home, I wish to say sometihng about overseas expenditures.

Government expenditures overseas — defense, aid and administrative—are running at present at a rate which will certainly rise to some £480 million sterling next year and quite possibly on present trends to £500 million sterling I do not believe that we can sustain such a level. My aim is to hold that figure down to £400 million sterling in the year 1962-63. This compares with £330 million sterling in 1958-59.

Defense

It is right that we should carry heavy burdens for the sake of maintaining our commitments to our friends and allies around the world. But the defense program must be carefully examined, particularly in relation to the overseas payments which it involves. The Minister of Defense has put in hand another review of the whole of this program to see what can be done to lighten the burden.

In fulfillment of commitments to NATO we are spending some £80 million sterling a year across the Exchanges in Western Europe. Of this sum over £65 million sterling goes on the maintenance of our forces in Germany, in accordance with our obligations under the revised Brussels Treaty. I have come to the conclusion that the strain upon the balance of payments caused by this expenditure cannot be allowed to continue in the next financial year. We have [asked the] Council to review the financial condtions under which our forces are maintained. Such a request is provided for under the terms of the Treaty. It does not affect our determination to stand by our NATO obligation in the defense of West Berlin and the review will relate to the next financial year.

Overseas Aid to Underdeveloped Countries

Assistance to underdeveloped ccuntries from United iKngdom Government funds has risen steadily from some £80 million sterling in 1957-58 to £150 million sterling in 1960, and disbursements are expected to increase still further this year to about £180 million sterling. Most of these disbursements are being made under commitments to other governments and to international organizations and these commitments will be honored. I am bound, however, to take steps to contain the increase and to see it does not rise much above the present level. There is no question of cutting, but even to sustain this level is a considerable challenge. It will not be easy. The figure of £180 million sterling compares, I say again, with a figure of £80 million sterling in 1957-58, when our balance of payments was better.

Overseas Administrative Expenditure

Finally there is the cost of our diplomatic and various administrative services overseas. The total expenditure on these is not large in comparison with that of the commitments which I have been discussing. But even so these services must make their contribution towards the reduction in total expenditure overseas which our present situation requires. I look for a saving here of 10% in the financial year 1962-63.

Private Investment Overseas

I now come to private investment overseas. The volume of investment in the non-sterling area which is subject to control has been rising steadily. It is true that it produces earnings in the long run. But these earnings do not always benefit the balance of payments in the short term — partly because of the tendency to invest further in the overseas enterprise concerned, and partly because of local restrictions on remittances.

I therefore propose a more severe test than at present. The test for new investment in the non-sterling area will be that it will produce clear and commensurate benefits to UK export earnings and to the balance of payments.

Remittance of Overseas Profits

The powers to control investment in the non-sterling area apply equally to investment made out of profits earned overseas by British companies and their subsidiaries. I am not satisfied that in all cases an adequate proportion of profits earned overseas is being repatriated to this country. I propose to request UK firms operating overseas to look at their policies in order to ensure that a higher proportion of earnings is remitted home. So far as non-sterling investment is concerned I propose to reinstitute on a selective basis the examination of company accounts by the exchange control authorities to ensure that this policy is followed.

Monetary and Credit Policy

I now come to measures designed to affect the private sector here at home. The Bank of England have called upon the Clearing Banks for further special deposits. In the case of the London Clearing Banks the call is for 1%, of which half is to be deposited by August 16 and the balance by September 20, 1961. In the case of the Scottish Banks the call is for a percentage equal to one-half of that called for from the London Clearing Banks. In making this call, the Governor of the Bank of England has made it clear that it is the intention that the impact should fall on advances. The banks have been asked that, when reviewing existing commitments or considering new lending, they should be particularly severe on proposals related to personal consumption, including finance for hire purchase, as well as finance for speculative building, property development or for other speculative purposes, so that all possibie room should be left for the finance vitally needed for exports and productive industry. I am sure that despite the difficulties the Clearing and Scottish banks will as usual give their full cooperation.

The Governor is also drawing the attention of the other UK banks including the foreign and overseas banks and the accepting houses to the action taken with the Clearing and Scottish banks. He will see the British Insurance Association and ask that the insurance companies should observe a similar policy in their lending. I look to these institutions also to give me their support. It is not my intention to force a downturn of private investment in productive industry. I am not proposing any change in the initial or investment allowances. At the same time, the demands made by private investment, particularly on the building industry, are growing rapidly and it is right that some less essential forms of development should be postponed. I do not rule out further measures if they appear necessary.

The government does not intend to alter the present hire purchase restrictions.

Bank Rate

With my approval, the Bank of England are announcing the rise in the bank rate from 5% to 7%. I have agreed to this partly because of the need to restrain credit internally and partly because of the unsettled international situation.

The effect of all this will be to make credit more expensive and more difficult to get. The impact will be felt particularly on credit for personal consumption and property development.

Customs and Excise Surcharge

I have also decided that I must take action under Section 9 of this year's Finance Act. The Treasury have therefore made an order, the "Surcharge on Revenue Duties Order," the effect of which is to put a surcharge of the full permitted amount of 10% on the range of Customs and Excise duties referred to in the Finance Act and on Purchase Tax. The surcharge will take effect July 25.

I wish to make :: clear that, taking Purchase Tax for example, the increase is the equivalent of 10% of the existing rates, not an addition of a further 10% to the existing rates. Thus, for goods now chargeable at 5%, the increase would in effect raise the rate to 5½% not to 15%.

The Order will be laid forthwith, and Honorable Members will see in the explanatory note the full list of duties to which it relates. I must stress that the effect on prices of individual articles will be a matter for the traders concerned to determine.

The effect of the surcharge will be to withdraw purchasing power from the economy at the rate of £210 million sterling per year. It can, of course, be reduced or removed at any time, but if it were maintained until the end of the current financial year it would fortify the surplus above the line to the extent of £130 million sterling.

I. M. F. Drawing

Finally, I have decided to take action to fortify our reserves by a substantial drawing from the I. M. F. This is being put in hand. The actual amount will be announced shortly when the discussions with the Fund are concluded. I would remind the House that such drawings have to be repaid within a period of three to five years, and this means that it is all the more necessary for the policies and measures I have outlined to be pursued with resolution.

*An address by Mr. Lloyd to the House of Commons, London, England, July 25, 1961.

2 Ed. Note: Below the line are capital lending items in the budget financed by new borrowing.

Henri P. Pulver

Henri P. Pulver, a securities trader with McMaster Hutchinson & Co., Chicago, passed away suddenly at the age of 77. Prior to joining McMaster Hutchinson & Co., Mr. Pulver who had been in the investment business since 1908, was manager of the trading department of Goodbody & Co. and was with Robinson & Co. in Chicago. He was a charter member of the Security Traders Association of Chicago and the Bond Club of Chicago.

Henri P. Pulver

Firm Name Now Byrd Bros., King

Byrd Brothers, 21 West St., New York underwriters and distributors of investment securities, have announced the admission of William Byrd King to general partnership and Edward Byrd to limited partnership, and a change in the firm name to Byrd Brothers, King.

Johnson, Lane Branch

CHARLESTON, S. C.—Johnson, Lane, Space & Co., Inc. has opened a branch office at 6 Gillon Street under the direction of B. H. Rutledge Moore.

Role of Industrial Revenue Bonds as an Industry Lure

By Roger W. Babson

Dean of financial writers suggests New England cities also use tax-exempt industrial revenue bonds to attract industry. He notes what the South accomplished in this direction and describes its potentialities for northeastern and the Central West regions of the country.

Many cities wonder why new factories do not start in their area, and why so many are moving South.

Reasons Why New Factories Do Not Start in Your Area

One trouble is that old industries are dying faster than the area can get new ones. In my estimation, all of the northeastern states are suffering from high labor costs due to rampant unionism; high state taxes; over-population; too great a distance from raw materials; leftists who want to spend before they earn; workers who don't want to work and don't respect their employers; state and local officials unfriendly to industry; and lack of a desire to help newcomers.

Already six states in the South have solved their problem, but all needed to amend their state constitutions. These have been drawn to protect the holders of tax-exempt bonds within their states. Times have changed—and we now must choose between giving a monopoly to present holders of tax-exempts or aiding the unemployed. Also, owing to the new Congressional mortgage legislation, we have the U. S. Government guaranteeing 40-year mortgages at 5% interest!

Revenue Bonds the Solution

We all are acquainted with non-taxable Revenue Bonds for building highways. The holder of such bonds is dependent upon the toll receipts for his interest. If enough people use the new highway full interest is paid, but not otherwise. At first leading investment bankers objected to such Revenue Bonds; but finally they accepted them and the bonds sold freely. Of the hundreds of millions worth of bonds issued, only one (that put out by West Virginia) has defaulted.

Now certain cities in the South are issuing such Revenue Bonds to provide funds for new industries. They are tax-exempt and must be voted by a majority of the citizens. These bonds have been freely accepted by northern investors. Many of our cities are now taxing their citizens heavily to provide education for their children. But as soon as the more intelligent of these children graduate from high school, they are obliged to leave their native city and go to a more progressive city in a more progressive state. Hence there has been little population growth for many northeastern cities. They need new factories, and the issuance of Industrial Revenue Bonds seems the best answer.

Big Tax-Exempt Industrial Issues

The biggest such Industrial Revenue Bond we know about is for $25,000,000 issued by the little city of Cherokee, Alabama. The money received from these bonds will be used to build a huge fertilizer plant to be leased by Armour & Company. The bonds give both the community and the company a highly advantageous contract. Armour has agreed to pay off the bonds at 4¾% interest over a period of 26 years. Both interest and principal will come entirely from Armour's lease payment. Investors who buy the bonds find themselves with a highly desirable tax-exempt 4¾% bond. If you are in the 50% tax bracket you get the equivalent of a 9.5% taxable yield. Cherokee has no problems because: (1) The bond issue is covered by strong legal restrictions; (2) the plant will employ over 300 workers.

The second largest municipal bonding program we have heard about is a $9,000,000 project for General Tire in Kentucky. Ranking third is a $7,000,000 bond issue for Borg-Warner Corporation in Arkansas.

Getting New Factories in Your City

The above is the only method which I now see for cities in the northeastern U. S. to get new factories to provide employment for their people and proper schools for their children. Remember that today, when locating new factories, the owners are looking for localities where the executives and their wives will be glad to live.

New England cities which are some distance from raw materials must provide some offsetting advantages. They must have friendly Chambers of Commerce which are now controlled by "old fogies." The C of C Secretary should be an experienced man, preferably from one of the fast - growing Southern cities which have already issued Industrial Revenue Bonds. New England has many natural advantages; but it must wake up to the new conditions facing us. The same applies to many cities of the Central West which now depend upon farming.

Cleveland Mgr. For First Boston

CLEVELAND, Ohio—Randolph D. Bucey has been appointed manager of the Cleveland office of The First Boston Corporation, it has been announced. An assistant vice president of the corporation, he will be assisted by Francis B. Hastings, Jr. and A. Stephen Hotaling, assistant managers. Mr. Bucey was formerly in First Boston's Chicago office.


R. D. Bucey

Mr. Bucey succeeds Frank L. Marshall, assistant vice president, who has been assigned new responsibilities in the corporation's New York office.

Mr. Bucey joined First Boston in 1950 and has been with the corporation since that time, interrupted only by his U. S. Army service in 1951-53 during which he served with the Finance Corps.

Baxter Joins Atomic Fund

WASHINGTON, D. C.—Newton I. Steers, Jr., President of Atomics, Physics & Science Fund, Inc., 1033 Thirtieth Street, N. W., has announced that Allin P. Baxter, who was for four years with the Division of Corporate Regulations, SEC, has resigned to become Secretary of Atomics, Physics & Science Fund, Inc., and Shares In American Industry, Inc., as well as Secretary of Columbian Financial Corporation, which is the Manager and Distributor of both funds.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

It is shocking to learn that after we have spent billions upon the military plant, it will still take $3.5 billion and possibly more to put it in a state of readiness. However, the Congress will quickly give Mr. Kennedy the money, despite any misgivings it may have because it is anxious to show united support of the President in his firm stand against Khrushchev. He has Congress in a switch.

The Administration expects to spend $2.7 billion of the money before next June 30. According to White House economists, this roughly will create between 300,000 and one million jobs. These economists figure that each extra dollar of government spending yields $2.50 to $3 more in incomes because the additional money provided by the government starts a new spiral of private spending, hiring and buying.

There are to be no new taxes for the present although there may be later. Some of Mr. Kennedy's advisers wanted him to ask for a tax increase now but he believes that the increased activity will bring about a budget balance in the fiscal year starting next July 1. He figures a deficit of $5 billion this year but the Republicans insist the budget is already running at a rate to bring about a $5 billion deficit without the additional $3.5 billion being asked for defense.

Mr. Kennedy also thought a request for a tax increase now would endanger his foreign aid program which is already in trouble.

At the tensest period of the 1948 Berlin blockade, the late Ernst Reuter, then Mayor of Berlin, told some of the allied officials that they were prone to overlook the weaknesses of the Russians. The Russians, he said, would not continue the blockade indefinitely because they knew that an incident might be turned into a riot, and a riot into a revolution in the satellite nations. This is just as true today. If any fighting takes place in West Germany, it will be the Russians, not the East Germans who will do the fighting. The way the East Germany people are fleeing to West Germany now, there won't be any East Germans left.

There are food shortages in all of the satellite nations and in Russia itself.

We should never have surrendered to the Russians at Yalta and Potsdam. Our present trouble stems from that.

* * *

While we are standing firm with Khrushchev, we continue to let Castro thumb his nose at us in our demand that he return the Eastern Airlines plane which was hijacked, along with 33 passengers. He returned the passengers but openly defied us to try and recover the plane by force.

Despite demands by Congressmen and Senators that we do just that, the Administration has again backed off. This is a fine way to show Khrushchev that we mean business.

The House has succeeded, however, in passing a Republican sponsored amendment to the omnibus farm bill prohibiting the Administration from selling surplus farm products to the satellite nations. The amendment is being fought out now in conference with the Senate.

The Administration was selling these surplus products to the Soviet zone at subsidy prices, meaning that the taxpayers paid 42 cents on every bushel of wheat sold to Russian satellites.

Members of Congress are still fighting with the Administration over the sale of precision tools and automatic machinery to the Russians.

It seems amazing that the Administration, while spending billions to build up our own war machine, would at the same time be furnishing food and materials which the satellites and Russia itself need so badly.

Republican members of the House Ways and Means Committee have written a letter to President Kennedy asking him to economize on nonessential expenditures.

"As Members of Congress charged through committee responsibility with providing the ways and means of financing government operations," the letter says, "we are gravely concerned over what appears to be the totally inadequate consideration given to the fiscal aspects of your most recent defense spending recommendation in the context of the other spending recommendations you have previously submitted to the Congress and the over-all budgetary posture."

Seidman, Williams Absorbs Firm

Merger of Fidelity Investors Service and Seidman & Williams, investment firms engaged in a general securities business, has been announced.

General partners in the enlarged firm, which will continue to be known as Seidman & Williams with offices at 26 Broadway, New York, are Joseph R. Seidman, George L. Williams and William L. Cantwell. The latter headed Fidelity Investors Service as a sole proprietorship specializing in mutual funds, with offices at 222 Newbridge Avenue, East Meadow, N. Y., which will become a branch office of Seidman & Williams.

Gordon Mun. Mgr. For Bank of Calif.

SAN FRANCISCO, Calif. — The Bank of California has opened a municipal bond department under the direction of Richard D. Gordon, Vice-President in charge. Mr. Gordon started his career in the investment business with R. H. Moulton & Co. He was later associated with Schwabacher & Company and Hill Richards & Co. He has recently been with the First Western Bank & Trust Company.

Customers Brokers Announce Outing

The Association of Customers Brokers will hold their annual dinner September 27th at the Waldorf-Astoria Hotel. This is a change of date from that originally scheduled (September 14).

Meyerheim Opens Branch

SCOTCH PLAINS, N. J.—Gerald A. Meyerheim has opened a branch office at 1791 East Second Street under the direction of James F. DeRogatis.

Defense of Sterling Is Ensured—or Is It?

By Paul Einzig

Dr. Einzig believes British labor will be sufficiently impressed with their country's at-long-last serious effort to defend sterling because of the two surprise items in Selwyn Lloyd's battery of proposals—the prospect of capital gains, and Bank rate hike to 7%. He suspects the U. S. A. and/or the I. M. F. are responsible for Britain's forceful measures to correct its fundamental problems. To all this, however, Dr. Einzig adds a disquieting note. He is fearful that the short run improvement in sterling and the surface increase in reserves—due to I. M. F. drawing and central bank cooperation—may convince labor the worst is over and short circuit their wage restraint before any thorough improvement is made.

London, England — The measures taken for the defense of sterling, announced by Mr. Selwyn Lloyd on July 25, were largely in accordance with anticipations. They included the 10% surcharge on indirect taxes provided for by the budget, a cut in the government's overseas expenditure, a promise to try to keep down the government's domestic expenditure, a tightening of controls over the export of capital, wage freeze in the public sector of the economy and voluntary wage and dividend restraint in the private sector. There were, however, two surprise items—the prospects of a capital gains tax with a limited scope and the increase of the Bank rate to 7%.

The extent of the proposed restraint on public expenditure does not appear to be impressive, so that success or failure of the measures depends entirely on the way in which the private sector of the economy will respond to wage and dividend restraint. From this point of view the surcharge will not be helpful, because it entails a rise in the cost of living. Were it not for the two surprise items the measures would almost certainly be doomed to complete failure. Thanks to the prospects of a capital gains tax to cover the most flagrant speculative profits, the wage restraint might prove to be even less unpalatable to trade unions. At any rate they will have less excuse for insisting on their pound of flesh, now that one of the major iniquities in the British fiscal system is likely to be mitigated. While the material effect of the capital gains tax — which in any case will only apply to certain Stock Exchange and real estate transactions — seems to be dubious, its psychological effect should be helpful.

Even more important is the material and psychological effect of the 7% Bank rate. It will strongly reinforce the government's plea for voluntary wage and dividend restraint. Supplemented as it is by a certain degree of credit squeeze in the form of an increase of the "special deposits" which the banks have to surrender to the Treasury, it is likely to discourage employers from yielding too easily to the excessive wage demands. It is also likely to frighten the trade unions into moderating their claims, now that they realize that, after all, the authorities have not discarded the whips and scorpions of high Bank rate and credit squeeze.

Moreover, it seems probable that the Bank rate and the credit squeeze between them may prevent the harmful effect that the 10% surcharge would produce in their absence. In previous articles I pointed out that, if applied against an inflationary background, this device is likely to trigger off chain-reactions in the form of wage and price increases. If, however, the 7% Bank rate and the credit squeeze, together with such economy measures as the government will adopt, should succeed in checking inflation then the rise in the cost of goods that are subject to surcharge may be offset by a curtailment of spending power resulting from the withdrawal of some £200 million per annum from the consumer, by means of the surcharge.

Government Shows Its Earnestness

What matters is that the government has at long last made a gesture to show that, after all, it is prepared to take measures that are liable to hurt. It is mainly the government's declared unwillingness to resort to high Bank rate and credit squeeze that was responsible for the speculative attack on sterling during the earlier part of July.

The contradiction between the decision to resort to the conventional monetary weapons and recent Ministerial statements disclaiming any intention to do so call for an explanation. There is reason to believe that official circles in Washington allowed it to be understood that they were not happy about granting large-scale support to sterling through the intermediary of the International Monetary Fund unless the British Government takes effective measures for the defense of sterling. This impression is confirmed by the fact that the negotiations of the additional drawing facilities from the International Monetary Fund were deferred until after Mr. Selwyn Lloyd announced his arrangements for the defense of sterling. If this theory is correct, Britain owes a debt of gratitude to the Washington Administration and/or the International Monetary Fund for having induced the British Government to return to the straight and narrow path of sound finance.

Importance of Wage-Restraint

The new measures and the drawing facilities of the International Monetary Fund appear to have consolidated sterling's position. Barring major strikes or an inadequate response to the wage restraint, sterling is out of danger for the moment. Its fate in the long run depends entirely on the success of the wage restraint. Unless the above measures succeed in moderating wage demands, or alternatively, unless the government is prepared to resort to more drastic measures if those announced should prove to be ineffective, a devaluation of sterling next year would be inevitable. What matters is that the wage restraint should not be short-lived. The government of today should always prevent a revival of the disgraceful wage plunder witnessed during the past 12 months. After all, the price is paid in the form of dividend restraint and capital gains tax, which measures are in conflect with everything the Conservative Party stands for. Having made these concessions the government is entitled to expect the trade unions to do their share in saving sterling.

A Disquieting Thought

Unfortunately the external assistance given to Britain by the I. M. F. and Central Banks has greatly reduced the chances of a lasting and thorough-going improvement of the fundamental position. Had the withdrawals of hot money from London and the adverse balance of payment been allowed to reduce the gold reserve to £500 million, the trade unions might be sufficiently impressed with the gravity of the situation to cooperate. As it is, the I. M. F. facilities will probably raise the gold reserve to well over £1,000 million, so that in a very short time the trade unions will feel at liberty to resume their wage plundering activities. The use of borrowed gold for window-dressing does not add to the inherent strength of sterling. It merely discourages speculation against sterling. Yet the much-abused speculators are in reality the true friends of Britain, for on each occasion since the war it was their activities that induced the government of the day to make an effort to check inflation. They are now prevented from performing their task. In the absence of speculative pressure and a decline of the gold reserve it seems unlikely that the measures adopted will save sterling in the long run. External financial support will encourage the popular belief that there is no need for the British people to save sterling by its own exertion.

Freeman Co. Opens Coast Br.

BERKELEY, Calif. — Freeman & Co., underwriters and distributors of investment securities have anounced the opening of an office in Berkeley, Calif., under the direction of John B. Barchfield. Headquarters of the investment firm are at 61 Broadway, N. Y.

Wm. T. Robbins Branch

LAKEWOOD, Ohio—William T. Robbins & Co., has opened a branch office at 1397 Warren Road under the management of Theodore Male.

NASD Discussing Formation Of O-T-C Clearing House

Carl Stolle, G. A. Saxton & Co., Inc., Chairman of the National Association of Securities Dealers Committee on Clearing House has sent the following letter to members the NASD.:


Carl Stolle

"The recent spate of activity in the Over-the-Counter market has acted to dramatize the need for a function in that market which has always been absent. The desirability of an organization for daily clearance and central delivery of selected active Over-the-Counter securities has long been recognized.

"The Board of Governors of the Association has appointed a special committee to investigate the possibility of setting up such facilities in New York City and eventually expanding them to become national in scope, and has expressed a willingness to underwrite initial costs, subject to prompt reimbursement from any clearing house corporation which may be created. This committee has had several conferences on the subject and believes that it is not only feasible but highly desirable that an Over-the-Counter clearing house be organized.

"In order to determine the extent of interest in such a project, and at the same time provide the Committee with certain basic information for planning and operational purposes, the attached questionnaire is being sent to all members of the Association in District No. 12. The figures mentioned in items 3 and 4 of the questionnaire were arbitrarily chosen and your answer to them in the affirmative will in no sense bind you to an agreement. Ultimate acceptance on your part will, of course, be dependent upon your satisfaction with the final form and substance of the corporate organization.

"A very prompt reply is desirable. In any case, the Committee would appreciate receiving it not later than Aug. 15, 1961."

	Yes	No
(1) Do you feel that there is a need for a daily clearance of Over-the-Counter transactions, coupled with a central delivery operation?	☐	☐
(2) Would you be interested in participating if one were established?	☐	☐
(3) If interested, are you in a position to post a guarantee fund in a minimum amount of $25,000.00?	☐	☐
(4) In addition, would you be prepared to make a proportionate subscription to provide capital funds to the operating company in an estimated gross amount of $1,000,000?	☐	☐

Judson V.-P. of First Boston

Everett G. Judson has joined The First Boston Corporation, 15 Broad Street, New York City, as a Vice-President.

Shaw, Bauer Branch

BRIGHTON, Colo.—Shaw, Bauer & Company, Inc. has opened a branch office at South Main Street under the management of Gene G. Coy.

Women Stockholders: Naive or Knowledgeable?

By Herbert C. Rosenthal, *President, Graphics Institute, Inc. New York City*

What do women particularly want to find in a corporation's annual report? The results of a pilot-study poll reveal a serious interest in the reports received, a desire to obtain a comprehensive and meaningful report, and a need for simpler and more graphic presentation. Mr. Rosenthal reviews the findings that should be considered in making up an annual report.

Would you be surprised to learn that 19 out of 20 women stockholders say that they read the accounting statements in the annual reports they receive? And that 16 out of the 20 say that the auditing language is clear to them? We were agreeably surprised when we received these answers to a pilot survey of women stockholders we recently completed.

Herbert C. Rosenthal

With the help of Emma Dot Partridge, editor of the publication, *Club Women of New York,* and official in the New York City Federation of Women's Clubs, we mailed 1,000 questionnaires to women's club presidents in the Metropolitan area. The women receiving the questionnaires were presidents of garden clubs, civic clubs, PTA's, music and theatre groups, alumnae associations and similar groups. The area covered included the five boroughs of New York City as well as Long Island, New Jersey, Westchester and Connecticut. Of course, not all of these women were stockholders, but 99 valid responses were received from these women's club presidents who were stockholders—enough to make for a solid pilot study.

The respondents were asked to fill out our 16-question survey with one particular corporation's annual report in mind. They cited 61 corporation reports, ranging alphabetically from Alleghany to Xerox.

Survey's Purpose

The main purpose of our survey was to see how these women stockholders felt about the type of annual report they are getting. The responses we got to the survey would, we knew, enable us to give some valuable hints to people who have the corporate responsibility for producing annual reports.

For instance, in the questions cited at the beginning of this article, it is nice to know that 16 out of 20 women say the auditing language is clear to them. However, for the four out of 20 who find themselves somewhat confused by accounting terminology, it might be a good idea to use some extra effort to make this language as simple as possible.

Recent years have seen the growth of pictorial media: movies, picture magazines and TV. It is clear that the pictorial method of presentation appeals to women for annual reports, too. A good many people involved with producing corporation annual reports are still rather preoccupied with the text. But, as Table I shows, the women stockholder audience is most intrigued by the visual elements. In answer to the question: *"Which of these factors are prime influences in the amount of attention you give a company annual report?",* 70% rated the use of illustrations, charts and photos as prime influences, and another 32% rated attractiveness of design. Quality of writing got only 34% of the vote. (Responses total more than 100% because the respondents were invited to check more than one answer.)

TABLE I

Attractiveness of design	32%
Quality of writing	34
Use of illustrations, charts and photos	70
Length of report	17
Number of shares owned	24

Two further responses to questions tied in with the visual orientation of women stockholders. In response to the question, *"Which kind of annual report do you prefer?"* less than 1 in 10 wanted an all-text report with no illustrations. Almost 7 in 10 wanted a text plus charts and photographs. And, as can be seen from Table II, charts by themselves seemed more attractive to the women than photographs by themselves as a visual necessity for an annual report.

TABLE II

All text—no illustration	9%
Text plus charts	17
Text plus photographs	5
Text plus charts and photographs	69

An allied response came to the question, *"Do you think the use of color adds to the readability and interest of the annual report?"* 68% of the women said yes and only 32% said no. Here the women, with their sense of fashion, decorating, etc., were responding with greater interest to something that is brightened with color as well as other visual elements.

One-Third Are Thorough Readers

Information about women's interest in visual elements and color is particularly important when you examine the response to the question, *"How do you generally read these annual reports?"* As shown on Table III, only one out of three read thoroughly. And that figure may be somewhat of an overstatement since some respondents checked two or more categories, such as "read parts" and "read thoroughly"—evidently meaning that they read parts thoroughly. (This dual response is also the reason the total adds up to more than 100%.)

TABLE III

Leaf through	26%
Read parts	47
Read thoroughly	33
Gener'ly don't bother to read	6

The indications are that for an individual report, this "read thoroughly" group falls off in direct ratio to the density of the printed page. Because so many leaf through but can be induced to stop and read parts, it becomes worthwhile to dramatize high spots in the annual report with color and visual elements.

In general, the women stockholders we polled had quite positive feelings towards the companies in which they owned stock. In answer to the question, *"What is the corporate image of the company in which you own stock?"* they gave the following responses.

TABLE IV

Big	40%
Conservative	19
Expanding	55
Sluggish	1
Dynamic	21
Old	8
Young	4

The list of adjectives for this question was supplied by a woman editor (and stockholder). She omitted the "Growth" cliche—but the vote was strong for such synonyms as Expanding and Dynamic.

Again the answers total more than 100% because some respondents checked two or more responses.

Curiosity

That well known woman's curiosity can be an important factor to consider in issuing an annual report. Since 96% of our respondents say they are interested in reading about the company's products, the material in the annual report can be presented without fear of annoying any substantial part of the female audience.

One respondent volunteered, "Am now purchasing shares of an insurance company. Would buy through this company, if needed extra protection."

And three out of four women said that they had some occasion to buy the product of the company in which they had invested.

In the answers to the question, *"Do you care to know anything about the officers and Board of Directors?"* 92% said, yes. They wrote: "Most important." "Yes, shares held, business connections, etc." "This is *most* important. I want to know *who* all the people are when I invest anything." "And why the aversion to any women executives in the company?"

The answers to other questions made it clear that the annual report is a significant, year-round influence on women stockholders. One out of three respondents said that she kept the annual report for a considerable time after reading it—in many cases until the next year's report came out. And almost 40% said yes to the question: *"Has an annual report ever changed your evaluation of a company?"* This substantiates a number of other surveys on the opinion-making potency of the annual report.

Willing to Pay for Report

The over-all picture which emerges is one of women who would like a comprehensive and meaningful annual report. To test the depth of the women stockholders' desire for such a report, we asked them this question: *"If your shares of stock in a corporation brought you $100 a year in dividends, would you be willing for the company to use 50 cents of that to try to bring you a more interesting, informative and meaningful report?"*

A good majority (54%) say that they would part with the extra 50 cents in return for such a report. And this despite the fact that the question was somewhat loaded against the results—since it would hardly take an additional 50 cents a copy in production costs to bring most reports up to an acceptable level. And despite the additional fact that the respondent was being asked to sacrifice part of her dividends — a true pocketbook test of sincerity.

Recent surveys show that women now form a majority of the persons holding stock in U. S. corporations. Our study indicates that this woman stockholder audience is a knowledgeable and alert one. An annual report aimed at their specifications would certainly do worthwhile duty with all types of audiences.

Pacific Coast Branch

FRESNO, Calif.—Pacific Coast Securities Company has opened a branch office in the Crocker Anglo Bank Building under the direction of S. H. Ranson, Jr.

Rubin Opens Branch

RICHMOND, Va.—B. N. Rubin & Co., Inc., has opened a branch office at 3318 West Cary Street under the direction of Herbert A. Krumbein.

J. B. McLean Co. Opens

NORFOLK, Va.—J. B. McLean & Co., Inc., has been formed with offices at 7510-B Granby Street to engage in a securities business. John B. McLean is a principal of the firm.

Transwestern Branch

SANTA CLARA, Calif. — Transwestern Management Corporation has opened a branch office at 3375 Stevens Creek Boulevard under the management of Charles I. Shussett.

The Stock Option Is Vital To Our Economy's Success

By Thomas M. Ware, President, International Minerals & Chemical Corp., Skokie, Ill.*

Industrialist answers major criticisms raised against stock options and suggests criteria in establishing such a plan. In pointing out the benefits to the recipient individual, to the corporate entity and to the individual stockholder, Mr. Ware explains how stock options help to equate the small with the large, the weak with the strong, and the new with the established companies in need of managerial talent and short of cash. He refuses to admit that the abuses of a few should condemn the whole option system; notes its approval by the majority of stockholders and by Congress; and comments on the proper and improper way of correcting certain abuses.

Let me begin by discussing the semantics of my title . . Stock Options — Their Morality and Practical Applications. It is natural if you wish to attack an issue to do it in the most inflammatory language, so we hear stock options attacked as a **moral** issue which I contend they are not.

Thomas M. Ware

The moral implications involved, it seems to me, are to be associated with the broader question of whether incentives are moral or not.

Stock options, one of several form of incentives, should be discussed in terms of their effectiveness in aiding management.

The stock option program gives the chief executive a special management instrument—a precise instrument for a precise purpose. It is intended to motivate and compensate the few risk takers in the upper ranks of management. For middle management, contributing to a company, but not taking decisive risks, there is a bonus. Other forms of incentive compensation exist to attain special goals.

At the broad base of the company, employee compensation is limited to salary. Some companies have devised compensatory programs that reach into the main body of employees with incentives such as a profit-sharing program.

In my opinion, you are not going to do away with stock options unless you are ready to make the broader decision of removing incentive from our free competitive system. If we are ready to go that far, then the question of stock options is relatively minor, indeed.

The Congress of the United States in its wisdom has recognized the need for a law that would provide incentive under high income taxes for those willing to risk either their capital or their management reputation and careers.

It is notable that the Senate Finance Committee, in approving the capital gains provision of the Internal Revenue code, defined its purpose in these words:

"Such options are frequently used as incentive devices by corporations who wish to attract new management . . . to convert their officers into partners by giving them a stake in the business . . . to retain the services of executives who might otherwise leave . . . or give their employees, generally, a more direct interest in the success of the corporation."

Not Defending Abuses

I do not overlook the fact that there have been abuses of the stock option system, but neither do I defend them.

I am prepared to discuss the well-conceived, well-directed option program as a means of achieving important corporate goals and I am prepared to discuss my views on the morality of incentives in our kind of economy.

Where the question of morality is raised, the principal arguments are that stock options are discriminatory, in that they apply only to a few, and since the few are very often the ones who establish and direct the plan, this gives rise to a question of conflict of interest.

There is also a question of morality in the true purpose of stock options. The question, as some critics put it, is, "Do stock options exist to give a few executives quick, tax-eased profits?"

To those who claim the tax law is discriminatory, the answer is yes, but for a very good purpose. Congress has drawn a distinction between the stock option plan and the pension and profit plans allowing special consideration to those under the former classification. In so doing, it recognizes that it is a few who take the risks in deciding the course of a business.

I have purposely raised the questions of risk at this early point of discussion because there are those who claim that the capital gains treatment was never intended to benefit the manager, but is solely for those who risk capital.

I must counter with the language of Congress referred to earlier which plainly states that stock options are intended to attract and hold skilled management.

And who says there is no risk for the management executive who puts his career and a lifetime of earnings behind his belief in his company? Doesn't he risk far more than money?

The risk conditions I refer to here are very real in new companies and in companies experiencing serious difficulties of one sort or another and in need of new management. Under these conditions, and with high income taxes, what incentive is there for the successful manager to leave a stable situation and risk one full of adversities?

Speculative Risks Involved

John C. Baker, noted compensation authority, describes this situation vividly:

"At such times the corporate outlook is dark, the demand for able executives pressing, and it is problematical whether or not the company, even under capable, aggressive management, can succeed with a rehabilitation program. Certain heroic efforts would be demanded to secure the desired results. During such a period, cash reserves may be low . . . and there may be a limit to salaries which would be paid to the best available management. The man or men assuming the task of revamping a company realize fully the difficult problems and the speculative risks involved, as well as the possible danger to their own business reputation if they fail, and therefore request, or are offered, option contracts on stock as part of their payment."

Conceding that there is risk in the above situation, the critics then ask, "What about the company in a stable situation? What risk is involved there?"

I can only reply that any top manager who feels he can relax in today's fast-moving economy is already risking trouble. There is as much risk in staying at the top as there is in getting there. What risks were involved in launching Ford's Edsel or the Henry J? What risks did the aircraft industry executives take in developing and bringing into passenger service the Boeing 707, the Convair 880 and the DC-8?

What are the comparative risks of the investor and the top management executive in these situations? Capital can move in or out of a difficult situation with relative ease. The executive committing himself to a long term decision must fight it out to the end and take the consequences.

I believe it was these risks that Congress recognized in establishing the capital gains feature for stock options.

Aside from tax considerations, there are critics of the corporate scene who contend that the stock option is morally wrong for any or all of the following reasons:

(1) It is discriminatory and inequitable in application.

(2) It is structured and administered by the few who derive the benefit.

(3) It does not serve the intended purpose.

I agree that the stock option is discriminatory and properly so since it is intended as incentive only for those who bear the burden of decision and take the consequent risks. This is in keeping with the philosophy that rewards should be comparable to risks.

Management's Responsibility

To say that the management of a company, which is trusted with every other major decision, some of much greater consequence, cannot be trusted to compensate itself fairly is to cast doubt, not on this one function, but on the whole system of corporate management. It is a system of human beings and therefore likely to produces some human failures. But you don't condemn the system for the omissions or commissions of a few. If there are malpractices in the handling of stock option provisions, you can be certain that there are malpractices in other management areas. In these instances, it isn't the stock option that should be eliminated, but more likely it is the management.

Remember too, in this question of management's faith and morals, a further check on the stock option plan is the required ratification of stockholders.

The criticism that stock option plans do not serve their intended purpose is generally based on the argument that executives use the capital gains tax provision to dispose of their stock for quick profit.

In the absence of statistics, it would be hard to prove or disprove this, but where it exists to a great degree it suggests that the corporation is deficient in some important areas. Why would a top executive rid himself of stock in his company? There may be good and valid reasons, some of which we will discuss. It may be an outright case of financial hardship.

But in a properly constructed plan that integrates corporate goals, provisions for growth and sound compensation practices, there is little temptation for the executive to dispose of stock acquired under option.

In the absence of statistics, I checked the records of our own stock option program and found that 87.5% of our employees, who have exercised their options, have held their stock. I can't offer this as conclusive, but I would like to believe that it reflects the care we put into the development of our plan and the attention we give its administration.

Stock Options Immoral?

I believe I have covered the major criticisms implying that stock options for one reason or another are immoral. Before anyone concludes where he stands on this, I think he might ask himself these questions:

Is it wrong to use a compensation program as an incentive to bring about desirable corporate goals?

Is it wrong to compensate executives with due regard for the risks that they take?

Is it immoral to use the capital gains feature of the tax law to retain and stimulate top management?

Is it wrong to provide a means of supplying a proprietary interest in the company to able executives?

In my opinion, the answer is emphatically NO! Option plans have the approval of an overwhelming majority of shareholders and of Congress. They have been tested and approved in the courts. There is no way under a carefully developed system of corporate checks and balances that a self-dealing benefit system could be perpetuated by management without deliberate collusion. To condemn the whole option system as bad because of the abuses of a few, is to ignore the good that incentives accomplish under our kind of economy.

While I am interested in these moral aspects of the stock option principle, as chief executive officer of a corporation, I am most concerned with its performance as a sophisticated instrument of modern management.

Let me put the stock option in its proper perspective as I see it. First, you determine the goals of the corporation; you build the structure to attain these goals; you people the structure; you then provide the incentives that will make it work . . . salaries, bonus and finally, after all these, the stock option.

Misconceptions Plentiful

Simple and clear as this seems it is amazing to me to discover what misconceptions are publicly printed and stated about the real purpose of the stock option. And, I regret to admit that in some instances top management executives have been derelict in this regard. Their comprehension of the true purpose of the stock option, in some instances, has been shallow and they do themselves and all management a disservice by statements revealing their ignorance. Is it any wonder, therefore, that critics of management center their salvos of attack on the stock option as a tax dodge with complete disregard for its value in attaining corporate goals?

It is only after careful thought has been given to planning cor-

Continued on page 22

Texas Eastern Transmission Securities Sale

Dillon, Read & Co. Inc., heads an investment banking group which is offering publicly $30,000,000 of 5⅜% debentures due Aug. 1, 1981 and 200,000 shares preferred stock, 5.125% subordinate convertible series, $100 par value, of Texas Eastern Transmission Corp.

The debentures are priced at 100% and are entitled to a semi-annual sinking fund, beginning Feb. 1, 1964, which will retire approximately 95% of the debentures prior to maturity. The debentures are not refundable for a period of 5 years, at an interest cost of less than 5.375% per annum, but are otherwise redeemable at the option of the company at any time at prices scaling downward from 105.38% to 100%.

The convertible preferred stock is priced at $100 per share and is convertible into common stock at $20 per share on or before Aug. 1, 1966; at $22.50 per share thereafter and on or before Aug. 1, 1971; and at $25 per share thereafter and on or before Aug. 1, 1976, subject to the company's right of earlier redemption. The convertible preferred stock is redeemable at prices ranging downward from $105.13 per share during the 12 months period ending Aug. 1, 1962 to $100 per share after Aug. 1, 1982.

Of the net proceeds to the company from the sale of the debentures and the preferred stock, approximately $35,000,000 will be used to retire currently outstanding revolving credit notes which were incurred for general corporate purposes including construction. The balance will be used in connection with the company's construction programs, which are estimated to cost approximately $89,000,000 in 1961.

The company's principal business is the transmission of natural gas. It is also engaged in the transportation of petroleum products and in the production of oil and gas. The company owns and operates a pipeline system for the transportation and sale at wholesale of natural gas extending from the Mexican border in southern Texas to New York. The system has an authorized delivery capacity in its principal sales area of approximately 2,362 million cubic feet per day, including deliveries from its gas storage facilities. The petroleum products transportation business is conducted by its Little Big Inch Division through a system which at Dec. 31, 1960 included approximately 2,182 miles of pipelines. The company is also engaged in the exploration for and production of oil and gas in 13 states.

Famous Artists Schools, Inc. Common Offered

The first public offering of the common stock of Famous Artists Schools, Inc., is being made through the sale of 336,625 shares at a price of $9.75 per share, by Bearn, Stearns & Co. and associates.

Of the total number of shares offered, 236,625 are being sold by selling stockholders and 100,000 by the company.

Net proceeds from the sale of its 100,000 shares will be added to the company's working funds and will be used for general corporate purposes, including expenses which may be incurred in preparing, printing and advertising a new home study course in the field of photography.

Famous Artists Schools, Inc., Westport, Conn. and New York City, believes that from the standpoint of tuition revenue, it and its wholly-owned subsidiaries are the largest in the country offering home study courses by correspondence in the field of illustration, painting, cartooning and writing exclusively, and that it is the second largest in the entire home study field. A new subsidiary will offer a home study course or courses in the art and usages of photography. Its teaching program and faculty are now in the process of organization. The faculties of each of the Schools' various courses include artists and writers prominent in their fields. The Famous Artists Schools, Inc., is accredited by the Accrediting Commission of the National Home Study Council, Washington, D. C., a nationally recognized accrediting agency as defined by the United States Office of Education. As of Oct. 1, 1960, 40,037 active students made up the student body of the company's schools.

For the seven months ended April 30, 1961, the company and its subsidiaries had tuition revenue from contracts sold in the amount of $4,441,004 and net income of $127,315 equal to 13½ cents per common share. For the year ended Sept. 30, 1960, tuition revenue aggregated $6,904,824 and net income was $437,103, or 46½ cents per common share. Upon completion of the current financing, outstanding capitalization of the company will consist of 1,046,500 shares of common stock; $300,000 of short term bank loans, and $366,738 of 6% debenture bonds, due Sept. 30, 1983.

New Dreyfus Office

WASHINGTON, D. C.—The Dreyfus Corporation has opened a branch office at 501 Thirteenth Street, N. W.

THE MARKET . . . AND YOU

BY WALLACE STREETE

Industrial stocks ended more than two months of suspense this week by decisively penetrating the all-time peak posted on May 19. And in the process some chart formations that were starting to assume ominous patterns to some of the technicians were disrupted as the senior Average once again forged into areas never before seen.

As had been so roundly predicted weeks back, the cyclical issues that can benefit most from a continued improvement in the general economy were those that were in favor as the new strength unfolded. Chemicals, particularly, were in good form and it was largely due to a spirited upsurge in du Pont that the D.-J. Average was able to hurdle the old peak so easily.

Volume picked up on the feat which is always an encouraging sign since without an increased following strength would peter out rather abruptly. The penetration was by no slim margin, either. Where the old peak was 705.96, the first leg of the breakout bettered that by almost eight points.

The supporting element—again the emphasis on quality—came from the utility section. This group was busy nudging its average to new peaks for more than 30 years as July ended and started off the new month at a new peak in tune with the industrials.

Rails were the laggard section as they have been for months. But they are still well above their lows, which, incidentally, was the level at which they showed on the first trading session of 1961. Their earnings reports, or rather the lack of earnings, was hardly the grist that would serve to arouse investment interest at this stage until it is more clear that the important turn has been made in their fortunes as the general economic improvement reaches them.

Piggyback operations have been expanding greatly and, to rail fanciers, are the new development that can change their future for the better. Last year these piggyback shipments came to about a fifth of the freight tonnage forwarded.

Growth in Piggy-Backing

More directly affected by the growth of piggyback shipping is U. S. Freight which is the nation's largest freight handler. Four-fifths of its income comes from freight despite recent efforts to expand including acquisition of a small steel fabricating company last year.

U. S. Freight is not only concerned importantly with railroad piggyback shipments but is adding to the idea with trailers suitable for transshipping via steamships in what has been dubbed the fishyback shipping idea for water transportation. U. S. Freight despite the spotty record of railroads in the last decade has been able to more than double revenues and income. And the company was optimistic enough to undertake a $15 million-plus financing recently to expand its operations to continue the growth pattern apparent in recent years. Whether or not the piggyback idea is the salvation of the rails as so many hope, the growth in this type of movement at a cost some 30% less than box car shipments seems destined to increase importantly with direct benefit to U. S. Freight.

Autos continue to show good buoyancy, Ford particularly after demonstrating its ability to hold up profits well although the auto business is still not an especially thriving one in general. Ford's fortunes were not particularly impressive in the first quarter, but for the second quarter the company was able to boost sales 5% over the second quarter of 1960 while profit was up 9%, with 11 cents of the $2.42 per share profit contributed by increased ownership of its foreign subsidiaries. Even so it was ahead of the $2.22 reported for 1960's second quarter.

Divided Camps Over Chrysler

Chrysler is still the center of rather radically divided camps despite the change in management that was hailed marketwise enough to push the issue onto the lists of 1961 highs. The point made about Chrysler by its fanciers is that its limited capitalization of less than nine million shares—against some 285 million shares of General Motors and more than 54 million shares of Ford—gives it far more leverage in reflecting any decided improvement in Chrysler's earnings

The roller coaster nature of Chrysler's earnings in recent years is well known and, to some, removes it rather definitely from the status of a blue chip of constant profit making ability. But the shares have reflected this and despite new 1961 highs this week were selling at less than half of the 1955 level.

There was a decided upturn in auto sales in mid-july which is not conclusive since the stocks of new cars are relatively light on the eve of the factories closing down for the model change-overs. High hopes are held, however, for a good response to the new models to give the auto makers an overall year of sales that will be thoroughly respectable.

Boom-Cycle Issues

With prospects favoring a good auto year, the leading boom-bust outfits of the moment, that seem to be heading toward the boom part of the cycle, are the auto equipment makers. The high yielding item in this section is Kelsey-Hayes offering 4½% despite a trim in the dividend that was forced by declining earnings of the 1960 fiscal year. The company winds up another fiscal year the end of this month and results are not expected to be impressive but a good rebound is forecast for the 1961-62 fiscal period.

An issue of quality that normally shows restrained market action is Pillsbury Co., second largest flour miller in the country. The last spirited play in the stock was around the time of its 1959 split. Since then it has been a mundane item.

Diversification into Cake, Et cetra

In its own way Pillsbury has been diversifying out of the prime flour milling field, busily adding all manner of cake mixes, instant potatoes, frozen foods, cleansing products and baked goods to its line and has been able to show a good growth pattern, interrupted only in 1956, for the last decade. The company's efforts to build up its consumer lines have reached the point where they now account for about half of the sales volume.

Copeland Refrigeration, second biggest of the independents in supplying makers of commercial refrigeration and air conditioning with equipment, has been concentrating on increasing sales and efficiency, but has a somewhat clouded outlook at the moment because of a strike. Its per-share earnings last year were a record and better things had been expected this year until the strike erupted.

The stock of Copeland, consequently was marked down from its 1961 peak as the hope of new profit records faded. That does not, however, detract from the long-term prospects of the company which has been busy developing new equipment, expanding foreign operations and increasing efficiency via automation. The steps taken to improve the profit potential were apparent when it reported a sales decline of 14% for the first half of its fiscal year but the profit drop was held to only around 11½%. Among the more ambitious plans of the management is stepping up its room air conditioning, home freezer and beverage cooler lines where it admittedly is far from being a dominant factor. As it is now, three-fifths of its work is in the commercial refrigeration field and exports are less than 10%, leaving much room for expansion in consumer and overseas markets.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

Electronics Prod. Stock All Sold

Bertner Bros., and Earl Edden Co., New York City and Investment Planning Group, Inc., East Orange, N. J., report that their recent offering of 100,000 common shares of Electronic Products Corp., at $2 per share, has been all sold. Proceeds will be used by the company for machinery and equipment, sales promotion and advertising, research and development and working capital.

The company of 4642 Belair Road, Baltimore, Md., was incorporated in Maryland on June 3, 1959, for the purpose of developing and manufacturing various electronic devices and to engage in research and development in the electronics field. Its products include interval timers, program timers for guided missiles, portable missile system panel trainers and an automatic fire alarm detection system. Authorized stock consists of 750,000 no par common shares, of which 283,950 shares are now outstanding.

New Riecke Branch

STOWE-POTTSTOWN, Pa.—H. A. Riecke & Co., Incorporated has opened a branch office at Race & Center Streets under the management of Irwin Forman and Ernest V. Hunter. William Levin will be office manager.

Queries Silver Shortage Claims

A leading silver processor sees no silver shortage ahead, insists silver laws since 1934 exclusively benefit producers, and endorses establishment of a free market for silver through repeal of all existing silver legislation. Without Treasury silver available, Handy & Harman believes the price may go up but not "near as high" as the mint one of $1.29 an ounce.

There will be no shortage of silver for industry's future needs, according to Handy & Harman, 830 Third Avenue, New York City, leading processors of precious metals, in a recent statement.

There has been considerable discussion in the press recently about the silver situation. Statements have been made predicting a critical shortage in the near future.

Handy & Harman believes emphatically that silver will continue to be available in the future, as in the past, for the requirements of industry. It is a well known fact that consumption has exceeded new production for the past several years but these statistics do not tell the whole story Used alone, they create a seriously misleading appearance of a future critical shortage. Historically, there have always been secondary sources of silver becoming available at different price levels. In the past such sources have included demonetized coin from various countries including Mexico, Cuba and Saudi Arabia. Right now the Treasury is a source, and there will be others in the future.

Free Market Price

The real question about the future of silver is one of price. In time Treasury silver will no longer be available, and Handy & Harman believes that eventually higher price levels can be expected but most definitely does not believe that the price will go anywhere near as high as the monetary one ofe $1.29 an ounce. For the short term, so long as the United States Treasury maintains its present silver policies, the outlook is for continued price stability in the United States.

Recently the Administration considered the possibility of stopping Treasury silver sales as an aid to lead and zinc producers. No action was taken but the argument was made that Treasury sales are holding down the price of silver and damaging producing interests. In fact, however, the silver laws ever since 1934 have almost exclusively benefited producers.

The Act of July 31, 1946 was enacted for the purpose of making non-monetized Treasury silver available to domestic industry, but when it was passed consumers had to accept a substantial increase in the price paid by the Treasury for domestic silver. Up until 1959 the Treasury regularly bought more than it sold by very substantial amounts. During the 13 years from 1946 through 1958, producers received a price which, on the average, was considerably higher than the market price, and consumers had to pay more than they otherwise would because domestic silver was not available to them. From 1946 through 1960 the Treasury bought in excess of 375,000,000 ounces of silver and sold about 77,000,000 ounces under the Act of July 31, 1946.

Favors Free Market

The Silver Users Association, which is made up of major industrial users of silver in the United States, has for years been advocating the establishment of a free market for silver through repeal of all existing silver legislation. It believes, however, that so long as the Treasury is required by law to buy silver, it should continue its present selling policies. Handy & Harman endorses this position.

Emery Flinn Forms Own Inv. Co.

MIAMI, Fla. — Emery Flinn has formed Specialized Investments, Inc., with offices in the Ingraham Building. Mr. Flinn who has been in the investment business in Florida for many years was formerly with Oscar E. Dooly & Co.

Hutton Opens Branch

BANGOR, Maine—W. E. Hutton & Co. has opened a branch office at 27 State Street under the management of James M. Wentworth.

MUTUAL FUNDS

BY JOSEPH C. POTTER

The Banker's Special

Although cooperative investing appears well on its way to displace baseball as the national pastime, our bankers, oddly enough, have not been full participants. It's not, you may be sure, that bankers haven't appreciated these many years the excellent investment opportunities in the stock market.

The reference here, incidentally, is to the chiefs of our mutual savings banks. Hobbled by state laws, they generally have been unable to exploit in behalf of their depositors the prime opportunities in this era of people's capitalism.

In New York State, where the law does permit the savings banks some leeway, the bankers have demonstrated their investment know-how in a manner to command universal respect. The Empire State has a common trust fund law, which might well be studied by other legislatures with a view to passing enabling legislation. This particular law requires a bankers' fund to limit investments to issues registered on a national exchange and to equities that have disbursed dividends for 10 straight years and have shown earnings over that span at least equal to the payout.

A pioneer in the field is Institutional Investors Mutual Fund, Inc., whose shareholders number 84 banks, 16 life insurance departments of banks and a couple of retirement plans. At latest report this fund had common stock holdings in 77 companies (24 industries) of varying shades of blue.

During the quarter ended June 30 the net asset value of this bankers' fund reached $265.60 (May 17) and was at $261.82 on June 30. These levels were the highest for any single day and for any quarterly reporting date. On March 31 the net asset value was $258.79 and at the middle of 1960 the figure was $226.07.

On the board of Institutional Investors sits Wilfred Wottrich of Brooklyn's Lincoln Savings Bank. A veteran banker, he feels savings banks beyond New York State should have a similar opportunity to invest a modest percentage of assets in high-grade equities. After all, it is difficult to imagine more competent stewards and, given properly drawn regulations, the banks can be counted on to do an outstanding job.

The flow of fresh funds, largely from dollar-cost averaging by the member banks, has been an important influence in the long-term growth of Institutional Investors. This is a proven device of the professional who handles trusts, large and small.

Now, let's have a close-up look at this portfolio, which totes up to more than $64,000,000. It will probably come as something of a surprise that the biggest stake (nearly 4%) is represented by railway equipper and leaser General American Transportation. Providing a yield that's even smaller than savings bank interest, it must be that managers of the fund see strong growth prospects in this company, which is part of an industry that has not been notable for growth.

Of the 24 industries in which the fund has a stake, the electric utilities are easily the favorite. Something like one of every six dollars is committed to the group. There are a dozen in the group, with every part of the country represented.

The medicine-health industry ranks second, taking a dollar of each nine. The half-dozen stocks in this group are Abbott Laboratories, McKesson & Robbins, Mead Johnson, Merck, Norwich Pharmacal and Sterling Drug. Here again is diversity and, of course, there has been growth.

Also of interest in studying this portfolio, is the one-of-a-kind choice. Thus, in picking a single recreation stock, the bankers have chosen Eastman Kodak. The one paper stock is Crown Zellerbach, the one office equipper is Pitney-Bowes, the sole telephonic issue is, of course, American Telephone & Telegraph and the only industrial machinery outfit is rich Ingersoll Rand.

Apparently the bankers have no difficulty in restraining their enthusiasm for the automotive group. They have a mere 6,000 shares of General Motors and 3,000 Champion Spark Plug, which is slender representation indeed.

All in all, it's a tidy portfolio—diverse and conservative, lacking in glamour but not in growth. And these things, after all, do reflect a banker's bias.

The Funds Report

American-South African Investment Co., Ltd. reports net assets at June 30 amounted to $37,-236,223, equal to $31.02 per share. This compares with assets of $35,-099,109, or $29.25 a share, at June 30, 1960. Net income for the first six months of this year totaled $1,011,899 and net realized gain on investment was $29,355. Comparative year-earlier figures were $878,035 and a net loss of $25,780.

* * *

Blue Ridge Mutual Fund, Inc. reports that at June 30 total net assets amounted to $37,154,572, or $12.60 a share. This compares with $33 694,826 and $11.53, respectively, a year earlier.

* * *

Net assets of **Commonwealth Investment Co.** rose to a record $162.096.815 on June 30, Chairman S. Waldo Coleman and President Robert L. Cody informed stockholders in the semi-annual report. The net asset figure compared with totals of $152.860,539 on Dec. 30 and $148,516,467 on June 30, 1960. Net asset value per share advanced in the first half of 1961 to $10.18 from $9.51 on Dec. 31, 1960. On June 30, 1960 the net asset value was $7.49 per share.

Among the common stocks added to the portfolio were Addressograph-Multigraph, American Can, Armstrong Rubber, Burlington Industries, Champion Spark Plug, Gladding McBean, Walter E. Heller, Maytag, National Cash Register, Singer Manufacturing and James Talcott. Common stocks eliminated included Associates Investment, Bendix Corp., Continental Assurance, Continental Insurance, Kaiser Aluminum, Pacific Finance, Chas. Pfizer, Rohm & Haas and U. S. Gypsum.

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Dividend Shares, Inc., a common stock fund in the Calvin Bullock group, reports total net assets at June 30 were $308,035 661, equal to $3.35 per share. At June 30, 1960, assets were $268,791,248, or $2.96 a share. During the June quarter there were new commitments in American Telephone & Telegraph and Travelers Insurance Co. Eliminations: American Brake Shoe. International Minerals & Chemical, Kennecott, Manufacturers Trust. Northern Natural Gas, Peoples Gas Light & Coke and United Gas Corp.

* * *

Dreyfus Fund reports that at June June 30 total net assets were $237,704,401, or $17.15 per share. This compares with $170,898,771 and $15.10 a share at the close of 1960.

* * *

Financial Industrial Income Fund completed its first fiscal year with total net assets of $1,611,734, compared to $161,331 12 months earlier. The fund, companion to Financial Industrial Fund, disclosed in its annual report a net asset value per share of $18.88 on June 30, against $16.73 on the same date a year ago. As of June 30, 50.53% of assets was invested in corporate debentures, 39.63% in common stocks, 2.43% in preferred stock; and 7.41% in government obligations.

* * *

Fundamental Investors, Inc. net asset value per share rose from $9.15 to $10.13 in the 12-month period ended June 30. Assets amounted to $669.979.268 on June 30, compared with $577,276,508 a year earlier.

New holdings listed in the report are common stock of Marquette Cement and Moore Corp., Ltd. Investments eliminated included common stock of Champlin Oil Refining Co., Dow Chemical Co. and Outboard Marine Corp.

* * *

Imperial Fund Inc. reports that at June 30 net assets were $10,-052,028, the equivalent of $11.08 a share, compared with $2,425,144, or $8.14 a share, at the middle of 1960.

* * *

International Investors Inc. reports that at June 30 net assets amounted to $1,366,908, or $15.77 per share, against $1,060,950 of assets and $14.29 per share a year earlier.

* * *

Shares of **Investors Group Canadian Fund Ltd.**, mutual fund affiliate of Investors Diversified Services, Inc., had a net asset value of $6.10 in U. S. dollars on June 30, 1961, compared with $5.32 (U. S.) on Dec. 31, 1960, and $4.93 (U. S.) on June 30, 1960, Harold K. Bradford, President, announced in the semi-annual report.

Total net assets amounted to $112,315,051 (Can.) on June 30, compared with $111,925,300 at the 1960 year-end.

* * *

Massachusetts Life Fund at June 30 reported total assets at a new all-time high of $73,019,182, compared to $60,302,776 at June 30, 1960. At the same time, net asset value per share reached a new high of $22.68, compared to $21.05 the same time the year before. Common stockholdings were 64.05% at June 30, compared to 59.69% at June 30, 1960, and 59.16% at the year-end.

* * *

Mutual Trust reports that at May 31 net assets amounted to $11,-820,589, or $3.40 a share, against $11,104,631 and $3.18 a share a year earlier.

* * *

New York Capital Fund, Ltd. reports that at June 30 net assets amounted to $31,470,255, or $15.62 per share, against assets of $29,-972,788, equal to $13.43 a share, a year earlier.

* * *

George Putnam Fund of Boston reports that as of June 30 net asset value per share was $16.49, compared with $16.47 three months earlier and $14.59 a year ago. Total net assets increased to a new all-time high of $263,-722,000, compared with $257,768,-000 three months ago and $212,-572,000 a year ago.

The market value of all investments on June 30 exceeded cost by $88,075,000. Common stocks represented 69% of the total investments, compared with 68% three months earlier and 66% a year ago. New additions to the common stock section included 10,000 shares of American Guaranty Corp., 100,000 Financial General Corp., 40,000 Philadelphia Suburban Water Co., 13,000 Southern Railway Co. and 14,600 Swedish Ball Bearing Co. SKF "B."

* * *

Stein Roe & Farnham Balanced Fund, Inc. reports that at June 30 net assets amounted to $62,740,999, equal to $38.63 per share. Year-earlier figures were $46,356,466 and $36.98.

* * *

Stein Roe & Farnham Stock Fund, Inc. reports that at June 30 net assets were $24,540,018, or $33.85 per share. This compares with $13,285,761 of assets and $29.42 a share at June 30, 1960.

* * *

At the end of the first six months of investment operations of **UBS Fund of Canada, Ltd.**, net assets totaled $4,449,883, compared with $3,486,588 as of Dec. 31, 1960, H. Nelson Conant, President, told shareholders in the semi-annual report. This rise in total net assets reflects the sale of additional shares as well as appreciation of the portfolio.

The net asset value per share of this new direct-by-mail mutual fund increased from $9.51 at the year-end to $10.40 as of June 30. Unrealized appreciation of investments during the period covered by the report amounted to $299,736.

* * *

In its annual report for the fiscal year ended June 30, **Venture Securities Fund, Inc.**, shows an increase in per-share asset value of slightly more than 31% during the past 12 months, and an increase of 161% since the founding of the fund on June 29, 1956, five years ago. Giving effect to the distribution of two shares for one on April 1, 1959 and on April 28, 1961, the original net asset value per share rose from an adjusted $2.66 to $6.95 on June 30, last. Total net asset value increased to $1,622,892 during the fiscal year 1960-61. This was a gain of 52% which is accounted for as resulting from sales of shares to investors amounting to $262,414 and a net capital appreciation of $291,872.

* * *

Wisconsin Fund, Inc. reports that at June 30 net assets were $19,-383,495, or $7.17 per share. This compares with year-earlier figures of $16,339,715 and $6.27.

Quality Importers Common Offered

Offering of 260,000 shares of Quality Importers, Inc., common stock at $5 per share is being made by Sutro Bros. & Co., New York City. Of the total 200,000 are being sold by the company and the remainder for a selling stockholder. Again, of the 260,000 shares, 123,000 shares are being sold at the offering price to employees and certain other persons designated by the company and 10,000 shares are being retained by the underwriter.

Net proceeds from the sale of its 200,000 shares will be used by the company for payment of short term loans, which were incurred to finance inventories and accounts receivable and for other corporate purposes. None of the proceeds from the sale of the 60,-000 shares being sold for a selling stockholder will accrue to the company.

The company of 55 Fifth Ave., New York City, is the exclusive importer and distributor for the United States of "Ambassador" Scotch whiskies and "Old Bushmills" Irish whiskey. The company's largest selling product is Ambassador Deluxe, an 86 proof blend of 100% Scotch whiskies. The company also imports 12-year old Ambassador Scotch and 25-year old Ambassador Scotch which is available in limited quantities. Upon completion of current financing, outstanding capitalization of the company will consist of 600,000 shares of common stock, out of 1,600,000 shares authorized.

Pickwick Common Stock Offered

Public offering of 110,000 common shares of Pickwick Organization, Inc., at $5 per share is being made by Theodore Arrin & Co., Inc., Katzenberg, Sour & Co., and Underhill Securities Corp., New York City. Net proceeds, estimated at $444,000 will be used for the acquisition of land and the construction of shell homes, for investment in a project known as the "Pickwick - Round Swamp Joint Venture," for repayment of debt and for working capital.

The company of Huntington Station, L. I., New York, is engaged in the management, operation, development, and investment in, of all types of real estate and construction. Authorized stock consists of 2,000,000 10-cent par common shares, of which 217,500 will be outstanding upon completion of this sale.

F. E. Braucht Opens

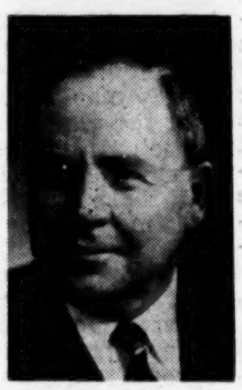
(Special to THE FINANCIAL CHRONICLE)

MERCED, Calif. — F. Ernest Braucht is conducting a securities business from offices at 545 West 18th Street.

C. E. D. Completes Massive Money and Credit Study

Among the 87 recommendations resulting from a three-year study of the country's banking and fiscal system by the C. E. D.'s Money and Credit Commission are proposals to: (1) allow the President discretionary tax policy in line with improving centralization of counter-cyclical policies; (2) tighten the President's control over the Federal Reserve Board, provide the Board with greater monetary power and end member bank stock ownership in Reserve Banks; (3) eliminate completely the domestic gold standard; and (4) make as our overriding economic objective the tripartite goal of "adequate economic growth, reasonable price stability and low-level unemployment," and revive Eisenhower's Advisory Board on Economic Growth and Stability. The C. M. C. is opposed to consolidating the Fed in the Treasury, and to a return to "bills only" policy and to "pegged" bonds. It favors measures to increase inter-state flow of funds and to increase competition in the money and capital markets.

The most comprehensive study of the United States' public and private money and credit system ever made by a group of private citizens was presented to President John F. Kennedy at the White House, Monday, June 19.



Frazar B. Wilde

The result of three years of study by the privately financed Commission on Money and Credit, the report contained more than 80 recommendations for changes designed to improve the functioning and coordination of government and private financial institutions.

The 300 - page document was presented to President Kennedy by Commission Chairman, Frazar B. Wilde of Hartford, Conn., and other members of the 25-man Commission. The President received the first printed copy of the report entitled "Money and Credit: Their Influence on Jobs, Prices and Growth."

The Commission on Money and Credit was established in 1957 as an independent organization by the Committee for Economic Development (CED). Financial support, amounting to $1,300,000 was furnished by The Ford Foundation, the Merrill Foundation, and the Committee for Economic Development, and the Commission launched its studies in 1958.

The report covers a wide range of issues and offers concrete recommendations concerning the national economy. It sets forth a number of national economic goals before delving into seven separate economic topics. These are: monetary policy, fiscal policy, the public debt, and role of private financial institutions, Federal credit programs, international monetary relations, and organizations and coordination for national economic gaols.

Behind the report is a vast body of independent research conducted by the Commission, including 109 research studies by individual scholars, special reports from the Federal Reserve System, the United States Treasury, and 12 leading private financial trade organizations. Much of this work will be published later by the Commission.

In a foreword to the report Chairman Wilde stated that it represents the "deliberations of a diverse group of American citizens . . . selected as men with different backgrounds in business, finance, labor, and government, all of them with broad and practical experience."

"There were no restrictions by the supporters as to the scope and methods of work, or as to the judgments reached." He added that the conclusions represent "a consensus of American and economic judgment today."

The recommendations of the Commission follow:

Monetary Policy

The Commission urges that the average rate of growth of the money supply should be consistent with the continued maintenance of high employment at stable prices and adequate economic growth, but it recognizes that in accordance with particular circumstances, it may be appropriate for the money supply to grow more or less rapidly than the output of the economy at high employment.

The Commission recommends the continued use of open market operations as the normal or usual instrument of general monetary policy. Instead of relying on a "bills-only" policy, the Federal Reserve should be willing, when domestic or international conditions warrant, to influence directly the structure as well as the level of interest rates in pursuit of contracyclical monetary policies and should deal in securities of varied maturities. This recommendation does not mean a return to a pegged structure of prices and yields for government securities. And the normal use of open-market operations in bills to carry out technical and seasonal changes in bank reserves is appropriate.

The Discount Rate

The Commission concludes that the discount facility is still of considerable value in our banking system, and that it should be retained as an ultimate source of temporary credit.

Clearly the intent of the Federal Reserve Board is to have discount administration relatively homogeneous among the 12 Federal Reserve banks, and the Commission urges continued efforts to assure uniform standards of discounting practice. Uniform standards, of course, mean that like circumstances result in like treatment, at the same time permitting differences in practice where regional differences in economic conditions or needs so require.

The Commission recommends that a fully discretionary, uniform re-discount rate be established for all Federal Reserve banks.

Reserve Requirements

The Commission favors major reliance on the use of open market operations for countercyclical adjustments and believes that the power to change reserve requirements should be used only sparingly and to serve longer-run objectives.

The present general form of fractional reserve requirements against net demand deposits is adequate for the purposes of general monetary policy and the Commission recommends that it be continued.

The Commission recommends that the demand deposit reserve requirements for all member banks be made identical and that the classification of banks into

Continued on page 28

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Colorado Interstate Gas Company

Colorado Interstate Gas Company, leading pipeline operator in the Rocky Mountain area, has annual revenues of about $65 million. It operates a network of 3,549 miles of line from the Texas Panhandle and Kansas Hugoton gas fields to Denver; an extension through Wyoming connects with the El Paso Natural Gas system at Green River. The company sells at wholesale (through its own pipeline system) to utilities serving an estimated population of over one million in Texas, New Mexico, Colorado and Wyoming. Pipeline sales accounted for 59% of 1960 gas sales volume, and regular field sales and special short-term sales for the remainder.

In 1960 about 37% of the gas handled by the system was produced from its own reserves. Total proven gas reserves controlled by the company at the end of 1960 were 7.5 trillion cf, or more than 24 times 1960 sales and usage. Reserves owned in the West Panhandle Field of Texas and the Keyes Field of Oklahoma were 3.0 trillion cubic feet at year-end. Gas reserves controlled by purchase contract totaled 4.5 trillion cubic feet.

The company is in a favorable position not only in total quantities of proven reserves controlled, but also in diversification of sources for the acquisition of new supplies of natural gas. Its extensive gathering system of some 1700 miles of line affords flexibility in obtaining gas over a large area of proven and potential supply in six states. The area includes Anadarko Basin and Hugoton Embayment of Kansas, Oklahoma, Texas, and Colorado; the Julesburg Basin of Colorado; and the Green River and Wind River Basins of Wyoming.

The company has an ambitious expansion program designed to make additional supplies of gas available for present markets in the Rocky Mountain area and also to make substantial sales to El Paso Natural Gas Company for the southern California market. A new large diameter transmission line about 350 miles in length would be built from the West Panhandle Field in Texas to Denver; and also a 155 mile line from Green River, Wyoming, to Provo, Utah. Including pumping stations and other facilities this program would require about $83 million. It would enable the company to sell as much as 239,000,000 cf of gas daily to El Paso Natural Gas near Green River and transport 478,000,000 cf for El Paso from Green River to a point near Provo.

In December 1960 the FPC approved the expansion program and also the related application of El Paso, subject to approval by the California Commission of facilities to be constructed by the distributing companies in that state. The California Commission then issued a certificate to those companies, subject to certain proposed revisions of the contract with El Paso which revisions were later carried out. On June 6, the Commission issued final approval on the California phase of the project. However, on July 24, a further hearing commenced before the Federal Power Commission and final approval may be subject to some delay.

The revised Rock Springs project involves reduced gas prices and a slower construction program. The prices, reduced from 40 cents per Mcf to 33.4 cents during 1962-63, are in the new contract negotiated with El Paso. The original contract would have resulted in costs for facilities and gas exceeding revenues by $32 million for the first five years, but under the new contract this loss will be replaced by a $10 million profit, making an earlier break-even date and eliminating the need for an early rate increase, it is reported.

Colorado Interstate has enjoyed rapid growth with revenues currently running over five times those of 1952. Share earnings have shown a favorable trend since 1954 after adjusting for the retroactive rate settlements in 1958-59; earnings increased from $1.04 in 1954 to $1.96 in 1960, each year showing an increase. This rate of gain averages about 11% per annum, compounded—but allowance must be made for the fact that 1954 earnings were lower than those of 1952. On the overall basis for 1952-60 the increase would average about 8%.

Colorado Interstate Gas is currently quoted over-counter around 45 (1960-61 range about 48-32). It pays $1.25 to yield 2.86%. Earnings for the 12 months ended March 31 were $1.98 compared with $1.71 (adjusted for split) in the previous 12 months, making the price earnings ratio 22.7. Earnings of 81¢ for the first quarter of 1961 compared with 80¢ in the first quarter last year; while warm weather retarded sales, this was offset by continuing over-all growth. The company by the end of 1960 had disposed of all pending rate problems and litigation, thus clarifying its earnings picture.

Colorado Interstate owns a 57% interest in Colorado Oil & Gas, which has extensive oil producing interests, a refinery, pipe lines, and marketing facilities. The earnings of this company are not consolidated with those of the parent company and the latter does not receive any dividend income. Hence in appraising Interstate it seems logical to deduct the market value of its investment in Colorado Oil & Gas which approximates $10 a share—although there is no indication that there will be any future "spin-off." At a net price of 35, the price-earnings ratio drops to 17.7.

F. A. Damon With Wm. R. Staats Co.

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—F. Alden Damon has become associated with William R. Staats & Co., 640 South Spring Street, members of the New York and Pacific Coast Stock Exchanges. Mr. Damon was formerly Los Angeles manager for Glore, Forgan & Co. and prior thereto was with Weeden & Co.

Now Robinson, Bowers

CHICAGO, Ill.—The firm name of Hooper, Bowers and Hilliard Company, 765 East Oakwood Boulevard, has been changed to Robinson, Bowers, Hilliard & Company.

Form Parker & Co.

Robert Thaler and Iksiel Weinstein are engaging in a securities business from offices at 212 East Broadway, New York City, under the firm name of Parker & Co.

M. Posy Forms Co.

BROOKLYN, N. Y.—M. Posy Associates Limited has been formed with offices at 824 East Ninth Street to engage in a securities business. Officers are Manuel Posy, president; Zimel Resnick, Vice-President; and F. Posy, Secretary-Treasurer.

NEWS ABOUT BANKS AND BANKERS

Consolidations • New Branches • New Offices, etc. • Revised Capitalizations

Chemical Bank New York Trust Co., New York announces the appointment of 11 Assistant Secretaries: Wilheim K. F. Anders, Miss Ellen Bowers, George R. Fritz, John F. McElheron, Gerald J. Murphy, W. Rodman Robinson, Charles J. Schildt, Harold Speck, Jack Taxier, Herbert H. Turnier and John A. Vander Drift. Also, Harry R. Campfield and Donald W. Glaser are named Assistant Treasurers.

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Appointments of Harold W. Smith as an Assistant Vice-President and Thomas J. Casey as an Assistant Trust Officer of **Manufacturers Trust Co., New York,** were announced Aug. 1 by Horace C. Flanigan, Chairman of the Board.

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Messrs. Chester Baylis, Jr., Frank Hamilton, Harold C. Strait and George T. Davies presently Vice-Presidents of **Bankers Trust Co., New York,** have been elected, to the new position of First Vice-President, it was announced Aug. 2, by William H. Moore, Chairman of the Board.

Mr. Baylis is in charge of the Eastern Division, and Mr. Hamilton of the Central Division, of the National Banking Department of the Bank. Mr. Strait will continue as head of Division I of the Metropolitan Banking Department, while Mr. Davies is in charge of the International Banking Department.

* * *

The elections of William J. Kenney, Joseph B. Koechel and W. Kennedy B. Middendorf as Vice-Presidents of **The Bank of New York** were announced July 31 by Albert C. Simmonds, Jr., Chairman.

* * *

THE CORPORATION TRUST COMPANY, NEW YORK

	June 30, '61	Dec. 31, '60
Total resources	$6,253,508	$4,626,996
Deposits	1,681,739	574,426
Cash & due fr. bks.	3,639,142	2,184,520
U. S. Government security hold'gs	600,310	600,257
Undivided profits	863,020	665,007

* * *

John T. Madden, Chairman of the Board of **Emigrant Industrial Savings Bank, New York** has announced that William H. Walters and John M. Joyce, Jr., have been elected to the Board of Trustees of the bank.

Mr. Joyce is a Director of the **National Bank of Westchester, White Plains, N. Y.**

* * *

Chester Arthur Allen, Chairman of the Board of Trustees of the **Kings County Trust Co., Brooklyn, N. Y.,** died July 29. He was 68 years old.

Mr. Allen served as the President of the Kings County Trust until last December.

He joined the Kings County Trust Co in 1931, became a Vice-President in 1933 and was named President in 1952. Mr. Allen also served as a Trustee of the **Williamsburg Savings Bank** and the **Stuyvesant Insurance Company,** both of **Brooklyn, N. Y.**

* * *

The **Union National Bank in Newark, Newark, N. J.,** increased its common capital stock from $449,100 to $673,650 by the sale of new stock effective July 15. (Number of shares outstanding 22,455, par value $30.)

* * *

Union National Bank in Newark, Newark, N. J., changed its title to **Broad National Bank, Newark,** effective July 15.

* * *

William H. Bierman has been appointed Assistant Vice-President in the Trust Department of **Mellon National Bank and Trust Co., Pittsburgh, Pa.,** according to an announcement by Frank R. Denton, Vice-Chairman of the bank.

Daniel C. Dempsey has also been appointed Assistant Cashier in the Administrative Office and G. Howard Arensberg, Jr., has been named Assistant Cashier in Mellon Bank's Controller's Office.

* * *

John Papit, of Charlottesville, Va., will join **The Bank of Virginia, Richmond, Va.,** on Aug. 14 as Assistant Cashier, Herbert C. Moseley, Bank President, announced Aug. 1. He will serve as a commercial loan officer at the Eighth and Main Streets office.

Mr. Papit comes to the bank from the **Citizens Bank and Trust Company** where he served as Assistant Vice-President.

* * *

By a stock dividend the **Lincoln National Bank and Trust Company of Fort Wayne, Fort Wayne, Indiana** increased its common capital stock from $3,000,000 to $4,000,000, effective July 18. (Number of shares outstanding 400,000 shares, par value $10.)

* * *

The common capital stock of the **First National Bank in New Castle, New Castle, Indiana,** was increased from $100,000 to $200,000 by a stock dividend, effective July 18. (Number of shares outstanding 20,000 shares, par value $10.)

* * *

Frederick J. Foersterling, investment officer, has been elected a Vice-President in the Investment Division of **Chicago Title and Trust Company, Chicago Illinois.**

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By the sale of new stock, the common capital stock of **The North Shore National Bank of Chicago, Chicago, Illinois** was increased from $1,100,000 to $1,200,000 effective July 20. (Number of shares outstanding 120,000 shares, par value $10.)

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The Citizens National Bank of Waukegan, Waukegan, Illinois increased its common capital stock from $800,000 to $1,000,000 by a stock dividend effective July 17. (Number of shares outstanding 50,000, par value $20.)

* * *

The common capital stock of **The First Naitonal Bank in East Peoria, East Peoria, Illinois** was increased from $50,000 to $150,000 by a stock dividend, effective July 18. (Number of shares outstanding 1,500 shares, par value $100.)

* * *

The **Clinton National Bank and Trust Co., St. Johns, St. Johns, Michigan,** with common stock of $400,000, and **The State Savings Bank of Elsie, Elsie, Michigan,** with common stock of $135,000 consolidated, effective as of the close of business July 19. The consolidation was effected under the charter and title of **Clinton National Bank and Trust Company, St. John,** with capital stock of $508,000, divided into 25,400 shares of common stock of the par value of $20 each.

* * *

On July 17 the Office of the Comptroller of the Currency approved an application to merge the **Bank of Carolina Beach, Carolina Beach, North Carolina,** into **First National Bank of Jacksonville, Jacksonville, North Carolina,** under the charter and title of **First National Bank of Jacksonville.** The effective date was as of the close of business July 22.

* * *

By a stock dividend the common capital stock of **The First National Bank of Shreveport, Shreveport, La.,** was increased from $3,562,500 to $3,750,000, effective July 17. (Number of shares outstanding 300,000 shares, par value $12.50.)

* * *

On July 19 the Office of the Comptroller of the Currency issued a charter to the **First National Bank, Westminster, Westminster, Adams County, Colo.** The President is Ivan L. Woodring and the Cashier, N. M. Spuhler. The Bank has a capital of $206,000 and a surplus of $195,615.42. This is a conversion of the **First State Bank of Westminster.**

* * *

The **Central Valley National Bank, Oakland, Calif.,** increased its common capital stock from $2,904,000 to $3,484,800 by the sale of new stock, effective July 18. (Number of shares outstanding 348,480 shares, par value $10.)

* * *

The Board of Directors of the **Bank of Canada, Ottawa, Ontario, Canada,** announced July 24 that they have appointed Louis Rasminsky as Governor.

W. A. Brown Mfg. Common Offered

Loewi & Co. Inc., Milwaukee and Blunt Ellis & Simmons, Chicago, are making a public offering of 170,680 common shares of W. A. Brown Manufacturing Co., at $7 per share. Proceeds from the sale will go to the selling stockholders and no portion thereof will be received by the company.

W. A. Brown, whose address is Prudential Plaza, Chicago, is engaged principally in the manufacture and sale of photo-mechanical equipment, including large scale precision cameras for four color separation work. About 80% of the company's sales are to the printing and publishing industry. Authorized stock consists of 1,000,000 no par common shares, of which 490,680 shares are outstanding.

Adelphi Elect. Stock Offered

H. B. Crandall Co., New York City, is offering to the public 100,000 common shares of Adelphi Electronics, Inc., at $3 per share. Net proceeds, estimated at $220,000, will be used by the company for the repayment of debt, the acquisition and equipping of new quarters, inventory expansion and working capital.

The company of 142 Mineola Blvd., Mineola, N, Y., is engaged in the distribution of electronic components, parts and equipment, all of which is manufactured by others. Authorized stock consists of 1,000,000 10-cent par common shares, of which 250,000 will be outstanding upon completion of this sale.

D. R. Cohen Forms Co.

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif.—Donald R. Cohen is conducting a securities business from offices at 111 Sutter Street under the firm name of Cohen and Company. Mr. Cohen was formerly with Godnick & Son.

Now Corporation

ALBANY, N. Y.—Continental Income Planning, 1593 Central Avenue, is now doing business as a corporation. Officers are Raymond P. Phillips, President and Treasurer; M. L. Phillips, Vice-President and Secretary; and Edward M. de Castro, Assistant Secretary and Assistant Treasurer.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The money and capital markets have gone over to the defensive following the announced plans of Britain to protect the position of its currency and the request of the President of the United States for more money in order to improve the defenses of the country. It is again a question of not knowing what the effects of the English program, or our enlarged defense spending, will have on our money and capital markets that is responsible for the uncertainty which is now shrouding these markets. It is evident that the near-term obligations continue to dominate the money and capital markets and, in spite of the increased dependency of the Treasury on this area for both refunding and new money raising purposes, rates have remained pretty much within the range which has been in effect in the recent past. The highly professional price movements in the longer-term Government obligations appears to have no real significance at this time.

Markets Under Pressure

The successful refunding and new money raising operation of the Treasury was having a favorable influence on the money and capital markets, when the British program to protect the pound Sterling involving higher interest rates was made public. And then the President announced that there would be increased spending for defense purposes by this country.

This combination of the British uncertainty, and the prospects of larger spending for defense improvement by the United States, had an adverse effect on the money and capital markets here. The rates for all fixed-income bearing obligations moved up, including short rates because of the fear that the very high British interest rates (Central Bank rate now 7%) would attract the readily moveable type of money from our near-term issues to the higher yielding English short-term securities.

There is no doubt but that the better return available in the English money markets would, under normal conditions, take funds out of our short-term market at once. However, the prevailing conditions in England are a long way from being normal and it will take a period of time before they are likely to improve so that the most nervous of all commodities, namely hot money, will be making a path to the British Isle seeking a safe haven with higher interest rates than are available here.

Federal Deficit Picture

The other force which helped to take the edge off the money and capital markets was President Kennedy's request that the money to be spent for defense purposes be upped sharply. This brought with it the opinions that the deficit of the Government in the coming fiscal year would be very much larger than had been expected. In addition, there would be no provisions made for higher taxes until the Congress convenes in early 1962.

It is evident that the answers as to whether or not the deficit will reach a very sizable figure or whether there will be new taxes to offset the indicated heavy defense spending of the Government cannot be given at once. However, there is more than a passing amount of opinion in money market circles that there will be ways and means found so that the anticipated deficit of the Treasury will be kept within proportions so that the inflation fears, with the attendant boom and bust psychology, will not become rampant like it has at times in the past.

There is no reason why this country cannot have "guns and butter" at the same time with all our great capacity and ability to produce. In addition, there is no reason why we should not pay as we go so that the deficit of the Government should not be something else to worry about. To be sure, there is uncertainty in the capital market because of the fear that the deficit of the Government will bring with it higher interest rates in order to combat the forces of inflation. Also, the action of the equity market appears to indicate that the way to hedge against inflation is through the purchase of common stocks. However, we have had these same kind of conditions in the past, and we have been able to meet them without too much damage being done.

It is conceivable that the increased Government spending for defense purposes will be taken care of through higher taxes so that there will be no inflation fear and it will not be able to generate a boom and bust psychology. Also this preparedness program, in the opinion of some money market specialists, will not bring about higher interest rates since it can and will be financed at levels just about where they are now.

With Calif. Investors

LOS ANGELES, Calif.—Steven S. Glass has become affiliated with California Investors, 3932 Wilshire Boulevard. He was formerly with Dempsey-Tegeler & Co.

Seymour, Bernard, DuBoff

Stanley DuBoff has become associated with Seymour, Bernard & Co., Inc., and the firm name has been changed to Seymour, Bernard & DuBoff, Inc. Offices are now located at 50 Broadway, New York City.

Form K-Pac Securities

K-Pac Securities Corp. has been formed with offices at 80 Wall Street, New York City, to engage in a securities business. Louis J. Pack is a principal of the firm.

Demarest Branch

WARSAW, N. Y.—C. B. Demarest Co. has opened a branch office at 14 West Buffalo Street under the direction of David N. Perkins.

S. Kasdan Co. Formed

S. Kasdan & Co., Inc. has been formed with offices at 101 West 57th Street, New York City, to engage in a securities business. Officers are Saul Kasdan, President; and Edwin N. Charnin, Secretary-Treasurer. Mr. Kasdan was formerly an officer of the Glenn Arthur Company, Inc.

E. B. Leduc Opens

(Special to The Financial Chronicle)

TURLOCK, Calif.—E. B. Leduc is conducting a securities business from offices at 900 Yosemite Ave.

Dempsey-Tegeler Branch

ENCINITAS, Calif. — Dempsey-Tegeler & Co., Inc. has opened a branch office at 650 Second Street, under the management of Clifford L. Suhm.

BANK AND INSURANCE STOCKS

This Week — Bank Stocks

HAWAIIAN BANKS FEATURED

Two years ago Hawaii became a state. In the intervening period to the present time much interest has developed among the financial community regarding investment in Hawaii.

The economy of this state has been described as dependent upon agriculture, government, and tourism with no one factor more important than the other. The latest available figures point to each as contributing equally. Total personal income in Hawaii was $1.3 billion in 1959. Of the total the breakdown percentage-wise was as follows:

	1959
Federal (military and civilian)	34%
State and local government	10
Wholesale and retail trade	15
Services	9
Manufacturing	8
Construction	7
Farms	7
Transport, utilities, financial	9

State studies of economic growth over the next decade show substantial growth in all economic areas. Personal income in 1970 is expected to climb to $2.1 billion or 50%. Construction—much of which results from tourism — should show an equivalent increase. Total bank deposits are now $950 million and are expected to equal $1.9 billion by 1970. Although the Federal Government is important, no estimates are made as to increased expenditures over this decade.

Banking in Hawaii differs somewhat from that on the mainland. State law prohibits banks from performing trust company functions. Mortgage and consumer loans represent a higher percentage of loans in Hawaii than in most other states. Banking law does not restrict branching, thus as the islands develop, the banks are able to take advantage of the growth.

The two major banks are the Bank of Hawaii and the First National Bank (Honolulu). Both banks have some additional loaning capacity; however, the capital accounts in each instance are somewhat low relative to deposits. Certainly deposit growth and estimates of growth are favorable. Earnings were not reported for the Bank of Hawaii for the first six months of 1961, but the First National reported earnings of $2.00 for 1961 versus $1.79 for the same period of 1960. This increase compares very favorably with the mainland banks. Neither bank stock is selling at price earnings ratios which are high as compared with the stocks of major commercial banks. Due to the obvious need to build the capital accounts, dividend increases may not be forthcoming readily.

In spite of the dependence upon the Federal Government, other growing factors should "round-out" the economy, and all economic indicators point to substantial growth for Hawaii. One of the obvious ways to participate in this growth is through the purchase of bank stocks. The following statistics show the two major banks to be interesting investments and based on past and present performance, these shares do not appear overpriced at the present time.

	Bank of Hawaii	1st. Nat. Bank
Deposits— 12/31/60 (000,000 omit.)	$326	$310
Loans— 12/31/60 (000,000 omit.)	$179	$168
Loans as pct. of deposits	54.9	53.8
Cap. accts. pct. of depos.	6.9	7.6
Cap. acct. as pct. of risk assets	11.1	12.1
Percent increase '56-'60:		
Deposits	78.5	35.4
Net oper. earns./share	146.0	66.2
Inc. in earns./share 1st six mos. '60 over '61	*	11.7
Current price bid	$136	$56
Dividend	$2.40	$1.40
Yield (percent)	1.76	2.50
Estimated net operating earns./share 1961	$7.50	$4.10
Price/earnings ratio	18.1x	13.6
Dividend payout (percent)	32.0	34.1

* Not available.

Crocker-Anglo National Bank Earnings Figures

The column of July 20 gave comparative earnings figures and related data (1961 vs. 1960) for some of the leading banks in the country. In the case of the Crocker-Anglo National Bank of San Francisco, it was indicated that the earnings data were not available. This was in error as the figures had been publicized by the Bank. For the record, its earnings per share for the first quarter of 1961 were 8.7% greater than in the same period last year and for the first six months of the year the increment was 4.2% over the results achieved in the first half of 1960.—Editor.

* * *

Bank News Briefs

Within the past week, the bank rate in Great Britain was increased from 5% to 7%. One reason for this move is to halt the flow of money from Britain and to bring about a reversal of foreign funds. The increase is a large one historically and brings interest rates to a level which is more than twice that imposed by the Federal Reserve Board in this country. Naturally this move will cause concern among bankers in the United States as it could once again spur the outflow of gold. Obviously these measures are often "stop-gap" ones because money, like any other commodity, is priced competitively. The long range implications point to higher rates for the United States and a favorable impact on bank earnings.

Within the past few weeks the Chase Manhattan Bank has announced plans to acquire the Hempstead Bank. Although the deposits of this Nassau County bank are less than one percent of those of the Chase, this will give the Chase Manhattan 15 branches to add to their present 105 New York offices. Each share of Hempstead Bank stock will be exchanged for 13/18ths of a share of Chase Manhattan.

The First National Bank of Chicago became one of many of the major commercial banks that has instituted small business investment companies. This subsidiary is to be known as the First Capital Corp. of Chicago and will start with capital of $3 billion which will make it the largest Small Business Investment Corp. of any bank.

Kolscher Acquires Geo. Shriver Co.

BALTIMORE, Md.—The Investment Banking Firm of George G. Shriver & Co., Inc., Mercantile Trust Building, which was established in 1931 by the late George G. Shriver, is now under the sole ownership of Jack A. Kolscher, who purchased controlling interest from the Shriver Family.

Jack A. Kolscher

Mr. Kolscher became associated with the Firm immediately following his graduation from McDonogh School in June 1932, and for many years has been Executive Vice-President. He is a member of the Philadelphia-Baltimore Stock Exchange, and Associate Member of both the Boston Stock Exchange and the Pittsburgh Stock Exchange, and in 1954 was President of the Bond Club of Baltimore. Since 1955 he has been a member of the Board of Trustees of McDonogh School, is a member of the Kiwanis Club of Baltimore City, the Merchants Club, and a director of seven corporations in various fields of business and industry.

As the new President of George G. Shriver & Co., Inc., Mr. Kolscher has announced that Vernon C. Barlag will continue as Treasurer, and Gilbert A. Lewis has been elected Secretary.

Fuller to Represent Nat'l Secs. & Research

Thomas P. Fuller has joined National Securities & Research Corporation as a wholesale representative in the states of Alabama, Arkansas, Georgia, Louisiana and Tennessee, it was announced by Philip C. Smith, Vice-President in charge of sales.

In his new position, Mr. Fuller will work under L. L. Moorman, Vice-President in charge of the Southern territory for National.

Mr. Fuller had been managing his own retail investment firm. Prior to this he was associated with The National Supply Company, International Minerals & Chemical Corporation and Dun & Bradstreet, Inc.

Opens Branch Office

LOS ANGELES, Calif. — Taiyo Tamazuka Securities Inc., has opened a branch office at 2025 Sawtelle Boulevard under the direction of Nobutaka Kiriu.

Rosenwasser Co. Formed

BROOKLYN, N. Y.—Arthur J. Rosenwasser is conducting a securities business from offices at 150 Liberty Avenue under the firm name of Arthur J. Rosenwasser Co.

Bosworth, Sullivan Branch

GREELEY, Colo.—Bosworth, Sullivan & Co., Incorporated, has opened a branch office in the Kinney Building, under the direction of Marvin E. McCarthy.

IBA and NYSE Sponsor Program Of Courses for Securities Trainees

EVANSTON, Ill.—The Investment Bankers Association of America and the New York Stock Exchange are cooperating in offering a concentrated five-week program of two courses for trainees in the securities business from July 30 to Sept. 2. Over 80 men and women from all parts of the country are enrolled in the first course which began this week on the Evanston campus on Northwestern University. The training program features two courses in sequence: Fundamentals of Investment Banking and Stock Exchange Operations.

The first course, Fundamentals of Investment Banking, will be conducted through Aug. 25. This part of the program is being taught by Professors Harold W. Torgerson and Bion B. Howard with the assistance of other faculty members in the Northwestern Finance Department. Inaugurated by the IBA in 1946, Fundamentals has since been offered each year as a 17-week program in cooperation with the School of Business, Northwestern University.

Fundamentals of Investment Banking is designed primarily to give investment banking trainees an intensive basic indoctrination so that they may become integrated into the securities business much more rapidly. The following topics are covered in detail:

Economics of Investment Banking.

How to Read Financial Statements and Corporate Reports.

The Instruments of Investment Banking.

Basic Concepts of Investment Yield.

Special Financial Problems of the Corporation.

Analysis of Major Classes of Securities.

Marketing of Securities.

Investment Policies and Programs.

Various supplementary addresses will also be given during the course by prominent investment bankers on specialized aspects of the business: U. S. Government Securities; Municipal Financing; Securities Merchandising; Securities Salesmanship; Securities Analysis; Institutional Investment Policies; and other selected topics.

Registrants have assembled from 21 different states for this course. Minnesota leads the nation in total registrations with 16 representatives enrolled. Eleven registrants are from Illinois, six from California and five each from Missouri, New York and Pennsylvania.

The second course, Stock Exchange Operations, will be offered from Aug. 26 to Sept. 2. This course was established at Northwestern University in 1958 by the members of the New York Stock Exchange and administered by the Education Committee of the Central States Group of the IBA. It is being offered for the first time as a part of this concentrated summer training program.

Form Samson, Graber

BROOKLYN, N. ,Y. — Samson Graber & Co., Inc., has been formed with offices at 16 Court Street (care of Lian, Lodato & Geringer) to engage in a securities business. Officers are Jerome I. Lazarowitz, President; Herman Slutsky, Vice-President; and Leonard Graber, Secretary-Treasurer. Mr. Slutsky was formerly with Dreyfus & Co., Leavitt & Co. and Josephthal & Co.; Mr. Graber was with Francis I. du Pont & Co. and Leavitt & Co.

W. J. Thornton Opens

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — William J. Thornton is conducting a securities business from offices at 2600 Wilshire Boulevard. He was formerly with Dempsey-Tegeler & Co.

Now With Goodbody

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Robert S. Welling has joined the staff of Goodbody & Co., 125 High Street. He was formerly with Schirmer, Atherton & Co.

Rejoins Pressprich

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Paul J. O'Leary has rejoined the staff of R. W. Pressprich & Co., 75 Federal St. He has recently been with Francis I. du Pont & Co.

Lowell, Murphy Branch

CHADRON, Nebraska — Lowell, Murphy & Co., Inc. has opened a branch office at 346 Main St. under the management of Roy G. Chicoine.

The Stock Option Is Vital To Our Economy's Success

Continued from page 15

porate goals, corporate structure, staffing and compensation that the stock option should come into consideration. It cannot hope to serve its purpose as an incentive until all of the other steps have been accomplished in that sequence.

Functioning at its best, the stock option benefits not only the recipient individual, but the corporate entity and the individual stockholder.

How does the stock option benefit the corporate entity?

It attracts and tends to hold top managerial talent. Properly conceived it can help the company meet the competition for managerial talent while still fulfilling other corporate objectives. However, the stock option plan adopted solely for competitive headhunting not only harms the particular corporation by the narrowmindedness of its purpose, but damages the repute of the business community generally.

Stock option plans work to equate, to some degree, the small and large companies. This is true of the new company in need of managerial talent; or the small company short of cash. It also equates the weak company with the strong when the weak company needs top managerial talent to put it back on its feet.

Stock options benefit the corporate entity by producing the best possible performance from key employees who are motivated by their proprietary interest.

The stock option makes corporate goals more meaningful to employees with a vested interest in the company's success.

The stock option helps unite management and the stockholders in a common purpose.

It promotes loyalty to the corporation by identifying individual needs of executives with corporate goals.

It provides corporate growth by encouraging executives to take the calculated risk.

Capital Builder

How does the stock option function as incentive for the individual? Mainly, I would say by recognizing human needs which are not satisfied by other forms of compensation. The most attractive feature is the opportunity afforded the executive to build capital. This is particularly appealing to the long-service employee at the peak of his career and approaching retirement whose response to incentives reflect his particular situation.

It gives the valued employee a proprietary interest in his company.

It puts a premium on creativity and encourages personal contributions.

It stimulates more participation in the financial growth of the company.

It directs individual efforts toward desirable corporate goals.

It provides a training feature for younger executives who strive to qualify for positions that would provide them with a stock option.

I believe the stock option system also benefits the stockholder even though this point has been contended by some.

There are values for the stockholder in every one of the stock option benefits I have cited so far. To conclude otherwise would be to admit that the stockholder's interest in his company is motivated by aspirations other than its successful operation.

A principal gain that the stockholder gets from the granting of options is a greater understanding of the stockholder's interests on the part of management.

Perhaps the gains I would like to list can best be realized by answering the chief complaints against stock options raised by some stockholders.

Mutual Benefits

There is the objection that somehow stock options dilute equity. On the contrary, one of the appealing features of the stock option is that it requires no cash outlay by the corporation. As the option holder benefits, so does the shareholder, through appreciation of stock values.

I am reminded here of an old Mexican gardener who planted tender new shrubs according to a ritual he had developed . . . a little bit of soil, a little bit of fertilizer and then, as he completed his task, he would remark, "a little bit of time."

My point being that just as the stock option functioning properly produces benefits **in time** for the executive, so does it produce benefits for the stockholder **in time.**

I think that complaints about dilution of equity made by stockholders fail to consider the long-term gain which is the goal of the stock option.

Another argument advanced by some stockholders is that if executives have faith in the company they should buy shares on the open market.

It goes without saying that faith in his company is essential in the good executive. But his job calls for demonstrations of faith and sacrifice that exceed, by far, the investment of his money. It is no secret that the successful corporation executive in the United States is a health risk. At times the demands of his job will cost him some personal happiness and maybe some domestic tranquility. In times like these, it is only faith in himself and what he is doing that keeps a man going.

The argument that executives should buy their shares on the open market overlooks a fundamental feature of the stock option which is that the executive, at the outset, has only his labor and skills to invest, until he can build sufficient capital. That's why the option provides him time to build his company, increase its value and thereby create the capital he needs to become a partner.

This leads naturally to the argument that executives should be required to hold stock acquired under option. While the end envisioned by this argument is most desirable, the means is unfair and discriminatory. If the stock appreciated in value during the option period, it was undoubtedly attributable to some measure of good management. Once the executive takes up his option, he is an investor, like anyone else, and he must be free to operate on the market as he will.

The Romney Sale

Many will recall what happened last year when George Romney sold 10,000 shares of American Motors stock. The news precipitated a flurry of selling and American Motors lost 9½ points in two days before holding at 69.

He had not sold the stock, said Romney, for any lack of faith.

I sold it, he said, because there is no other way by which I can increase my outright investment in the company's future."

Time magazine, telling the story, said:

"As a Vice-President, Romney had managed to buy 3,240 shares in his company. When he became President, he got an option for 35,000 shares."

Romney voluntarily cut his salary when his company was in the red and meanwhile the stock dropped below the option price. Romney was in a bind.

"I had to borrow to pick up those options," he said. "A fellow in my position, under the tax laws, is not in a position to buy stock except by borrowing."

Romney borrowed enough money to buy 20,500 shares, leaving 14,500 still to go. At that, it was a gamble: with American Motors' spotty dividend record, the carrying charges on a big loan could be a sizable expense.

As American Motors moved ahead, Romney got two more sets of options: one for 21,000 additional shares at $31.82½ and another for an additional 21,000 shares at $56.29.

By selling 10,000 shares, Romney realized $900,000, of which $200,000 went to pay capital gains tax, another $200,000 for debts remaining from his first purchase, and $70,000 for tithings to his church. He netted $430,000, about $200,000 short of what he needed to pick up 14,500 shares on his first option plus another 12,600 shares available that same year on another option. By paying off his first debt, he could borrow again. *Time* magazine figured that when he was all finished he would own 40,840 shares, or 28% more than when he started.

The value of the Romney story is that it was given such widespread public attention through the press. It may have caused him personal embarrassment which no other investor in his company can expect to encounter. It may have seemed to him and his family that this was an invasion of their privacy. But it illustrates the effort to which a top manager must go to create enough capital to invest in the business he is building, while maintaining stockholders' faith in his integrity.

Stockholder Support

Perhaps the most convincing evidence of how most stockholders really feel about the stock option is revealed by the decisive support they have given it in approving plans in one company after another. Results of a New York Stock Exchange survey revealed in September, 1960, that 61% of the 1,135 companies with common stock listed on the Exchange have some form of stock option.

My argument in support of the stock option is predicated on the fact that the plan is well conceived, well planned and well administered. Recall at the outset that I said its proper functioning depended not only on how it was applied, but even where it was introduced in the sequence of a company's development . . . after the goals are set, after the organization is structured, and peopled, after other compensations are provided, then the stock option plan becomes meaningful.

What are some of the considerations in establishing a good stock option plan?

One consideration is the important relationship of option shares to executive salary. The number of shares offered should be large enough to provide an incentive, but not so large as to discourage hope of acquiring the total. Counsel on this subject would indicate that 1½ to 2 times annual salary is not incentive enough and that more than four or five times annual salary is too much. The median arrived at in a recent survey of options granted to 50 top executives was 2½ times annual salary.

Since one of the most acceptable features of a stock option is that it makes the executive a partner in the business, retension of the stock should be strongly encouraged by the plan, but not stipulated.

It seems to me that there is a better chance of the stock being retained if the executive option is not granted as promptly as other compensation.

Appreciation of the value of an option increases during the waiting period that many plans require before the option can be exercised. As a practical matter, the Securities and Exchange Commission rule, which requires an officer or director to hold optioned stock for at least six months after its purchase, encourages retention of the stock as an investment.

Retention Advisable

Some plans require that the optionee sign a statement to the effect that he, his surviving spouse and children are bound to acquire the stock for investment and not for distribution.

While retention of the shares by the executive is highly desirable, it seems to me that for the stock option to be practical it must recognize that the executive will be less likely to invest either his money or his time in a company if his stock is non-negotiable. If he has to risk a depression, or a major market slump with no means to protect his investment, no executive will exercise his option. He would be in the category of a second-class investor.

Unwarranted restriction destroys the incentive which is the main purpose of the management stock option.

As a means of encouraging executives to hold their optioned stock as an investment, I see greater value resulting from a waiting period of a year or two before the option can be exercised and in limiting the amount of the option that can be exercised in any one year.

As a practical argument for its success, the stock option should be limited to the few executives who are in a position to influence the company's growth by their decisions and contributions.

Where you place the responsibility and risk, you should also place the rewards for success.

Reported practices would indicate that most companies have adhered well to this stipulation by keeping the stock option incentive for responsible top management. A random study of stock option plans showed that in the median company one-half of 1%, or 30 out of 5,900 employees, received stock options.

Another consideration in determining who should be covered by stock options is that coverage should be equitable. All top management with comparable responsibilities for the growth of the business should be included.

Financing Assistance

Some method of assisting executives with financing in order to acquire their options is also desirable. Without this, it is almost certain that the executive, whose sole income is his salary, will be forced, in this era of high taxes, to sell some of his shares in order to acquire permanent holdings. The Romney incident illustrates this.

Several methods of financing stock options through time payments, bank loans, or loans through pension funds, insurance companies and private individuals not subject to the Federal Reserve Board Regulation U, are followed in practice, but there is value for the company if a purchase plan is provided. It helps to ensure that the plan will work as desired.

The kind of shares used for stock options is often a matter of some concern to stockholders.

The use of unissued or treasury shares, which is the common practice, brings additional funds to the business and at less expense than buying them on the open market.

This has raised the question of dilution of equity. But objections of this kind shrink before the fact, when you examine the proportion of shares available for option in most companies, compared to the total shares outstanding. In 100 plans reviewed by the New York Exchange in 1955 and 1956, the shares available for option, compared to total shares outstanding, ranged from less than one per cent to 14% . . . the median being 4.7%.

Option Price Amendment

Discussion of the practical features of a stock option plan must include consideration of amendments to lower the stock option price. If we are to be practical, we must realize that the price of option shares is determined on the free market. If unusual circumstances such as recession, or a technological revolution in an industry, should drop the stock price below the option for a protracted period, some amendment of the option price is necessary if management is to employ this kind of incentive with effect.

A few companies have introduced price amendments without stockholder approval and their action was upheld by the courts, but I feel that good faith dictates that amendments of this kind should have stockholder approval.

I have drawn the perspective in which I believe the stock option works and that is . . . after the corporate goals are set, and the structure to attain them is built, after the key people for the structure are secured . . . that is when you provide the incentives such as salaries, bonuses and stock options.

Meets Today's Needs

Uniquely suited to our times and the needs of our economy, the stock option is well placed in the compensation portfolio of the top executive who is expected to provide his company's growth.

Let me give a respected authoritative opinion as background for why I think that the stock option is a fundamentally sound part of our economy and an unusually effective way of maintaining it.

The noted historian Arnold Toynbee, in his examination of 23 civilizations, concluded that all but one—our own—had died, or is in the death throes. He found one common weakness was the major cause in each demise and that is the drying up of creative leadership. The failures resulted from a weakening of the will to meet new difficulties and from attempts to solve current problems with old solutions that did not meet present needs.

So far, this civilization has fostered man's basic intuition to strive and to grow. Here in America, under such incentive, the corporation has developed and achieved its finest performance, unequalled anywhere in the world for the variety and greatness of its contributions. Nowhere else have the interests of the stockholder, management and board of directors worked in such harmony.

If our civilization is the one to survive, after 23 failures, and if that survival is to be under our free and independent system, then we must develop leadership with the best incentives at hand. Survival and growth demand the highest level of performance we can command.

If, on the other hand, we fetter the intellect of our best creative leadership and destroy the incentives so vital to growth, then the outcome of this civilization is a matter of cold statistics.

We are number 24.

*From an address by Mr. Ware before the 31st National Business Conference sponsored by the Harvard Business School Association, Boston, Mass.

Heineman Joins David J. Greene

H. Erich Heineman has joined David J. Greene & Co., 72 Wall Street, New York City, members of the New York Stock Exchange, in the firm's research department, it has been announced.

Mr. Heineman was an assistant finance editor with "Business Week" magazine for the past three years.

AS WE SEE IT

Continued from page 1

billion in 1960, there were only two years when the figure for any year was not greater than the year immediately prior to it, and in those instances the decline was hardly consequential. Precisely the same thing can be said of the compensation of employees. In fact, only once was the figure lower than in the immediately preceding year and then the decline was less than one-half of 1%. In 1947 employees were paid sums totaling a little more than 55% of total output; in 1960 they got over 58% of it. Individuals on the payrolls of business for a number of years immediately prior to 1960 fared about as well and sometimes a little better than the average for the whole period.

Now as everyone knows, the pay of wage earners has in larger and larger degree in recent years been in certain forms not formally a part of their wages — pension benefits, social security in one form or another and the like at the expense of the employer. The Department of Commerce terms these things "supplements to wages and salaries." These supplements rose from some $6 billion in 1947 to $22 billion in 1960. But let no one suppose that these benefits took the place of increased ordinary wages. Actual wages and salaries of the conventional type rose from $123 billion in 1947 to $271 billion in 1960, and there was just one year in which these payments were not larger than during the preceding year. In 1947 they were equal to about 52% of GNP; in 1960 they were more than 53% — and let it not be forgotten that GNP over that period rose more than 115%!

The number of men and women on the payrolls of business (including households, of course) rose very substantially during the period under review. The Department of Commerce has long converted the total number of employees, many of them working only part time, to the equivalent number of full-time employees. The number of "full-time equivalent employees" as thus estimated by the Department of Commerce rose from 47 to 58 million from 1947 to 1960. Despite this increase in the number among whom compensation had to be distributed, the average annual earnings of the "full-time employee" rose from $2,589 in 1947 to $4,705 in 1960. And here there was not a single year in which the figure was not higher than the year immediately preceding it.

No Millennium, but . . .

Naturally no one would claim that these facts portray an economic millennium here on this earth. Neither work nor the fruits of it are evenly distributed, or distributed precisely as justice would direct. The economy is constantly changing, shifting from one place to another, from one product to another, and from one technique to another. Business has been remarkably steady since the end of the war, but there have been ups and downs nevertheless. In some instances, these changes which adversely affect some employees have been stimulated by attempts of government to stimulate business. We fear that we shall have more such misfortunes in the future. Business makes all such changes and adjustments with a minimum of friction and loss when it is left to its own devices.

But he would have to disregard the facts completely to make the claim that the working man has not fared well in this country since the end of the war. In point of fact he would have to disregard the facts to suppose that the wage earner had not made progress at an unprecedented rate during that period—made it at the expense of others in the community in a number of cases. These are truths which must be borne carefully and continuously in mind when union leaders go forth to set up the claim that wage earners are in fact entitled to a much larger share of current output than they are now getting. The progress of wage earners since the end of the war has been made possible largely by achievements in technology and by the investment of vast amounts of capital in production equipment, to neither of which the wage earner ordinarily has contributed even a mite.

Consumption Large

Another statistic somewhat related to such figures and facts as we have been citing, is of importance and significance, particularly at this time. Much of what Washington has been planning—and been planning in some instances for years past—to insure continued prosperity and a higher rate of growth has to do with stimulating consumption by the ordinary man and woman. The thought seems to be that the rank and file have not the means with which to buy what they want, or even what they produce, and so, ways and means must be found to provide those means and at times, so it would seem, to persuade them to spend what they earn. Now the fact is that the expenditure of us all on current consumption, according to the estimates of the Department of Commerce, rose from $165 billion in 1947 to $329 billion in 1960, an increase of almost 100%; actually "disposable personal income" — i.e. personal income left after taxes —rose 110%. It is unfortunate that so many of us fail to consult the facts before reaching judgments about public policies.

Youngberg With Boenning

PHILADELPHIA, Pa. — Robert Youngberg has joined the research staff of Boenning & Co., 1529 Walnut Street, members of the Philadelphia-Baltimore Stock Exchange. Mr. Youngberg was formerly with Coffin & Burr, Inc.

Forms American Funds

WASHINGTON, D. C.—Matthew E. Monczewski is engaging in a securities business from offices at 945 Pennsylvania Avenue, under the firm name of American Funds.

Form Myers & Co. Ltd

(Special to THE FINANCIAL CHRONICLE)

CHARLOTTE, N. C. — Myers & Co., Ltd., has been formed with offices at 1414 East Fifth Street, to conduct an investment banking business specializing in bonds and preferred and common stock. Officers are Joseph D. Myers, President and Treasurer; William H. Morrow, Jr., Vice-President; and Shirley B. Myers, Secretary. Mr. Myers was formerly with R. S. Dickson & Co., Inc.

Form Secs. Research

LOS ANGELES, Calif.—Securities Research Corporation is conducting a securities business from offices at 3465 West Eighth Street. Officers are D. Loren Lake, President; Joseph P. McIntyre, Vice-President; James J. Fagan, Secretary and Treasurer; and Robert W. Driscoll, Assistant Secretary. Mr. Lake was formerly with John M. Flynn & Co.

Two With Calif. Investors

LOS ANGELES, Calif.—Howard Diamond and Raymond Donges have been added to the staff of California Investors, 3932 Wilshire Blvd.

With Richard Kohn

NEWARK, N. J.—Jack Gourdji, originally a native of Baghdad, Iraq, has become associated with Richard E. Kohn & Co., members of the New York Stock Exchange, in their Newark office at 20 Clinton Street. He will be a customer's representative.

Recently Mr. Gourdji has been a customer's representative with Wolfe & Co., New York stockbrokers.

State Bond & Mtg. Branch

MASON CITY, Iowa—State Bond & Mortgage Company has opened a branch office at 65 River Heights Drive under the management of Richard C. Larson.

D. L. Crusey Opens

ANCHORAGE, Alaska—David L. Crusey is conducting a securities business from offices at 131 Fifth Avenue.

Forms Holm Inv. Co.

GREAT FALLS, Mont.—Hugo A. Holm is engaging in a securities business from offices at 3312 Seventh Avenue, North.

Basis for Renewed Interest In Canadian Oil Industry

Continued from page 1

of Trade and Commerce on Feb. 1 of this year announced in the House of Commons that:

". . . the Government has decided upon a National Oil Policy which is, briefly, to achieve target levels of production of oil, including natural gas liquids, which will be set from time to time, and which will be designed to reach approximately 800,000 barrels a day in 1963."

A target level was also set for 1961 for an average of 640,000 barrels per day, with a level of not less than 625,000 barrels a day to be attained by mid-year. By comparison, production of crude oil and natural gas liquids in 1960 averaged 544,000 barrels per day.

It now appears that the mid-year target level has been met and, if export demand holds up, there is every reason to expect the target level of an average of 640,000 barrels per day for the full year 1961 will also be achieved. It should be borne in mind that this is a purely voluntary program. We expect about 60% of the anticipated 1961 production increase will come from a rise in exports of 55,000 barrels per day, with the remaining 40% from higher demand by Canadian refineries.

With reference to expansion of the Ontario market, we expect that before the end of the year there will be a noticeable increase in the movement of crude oil into the Ontario market, displacing product refined from imported crude oil in Montreal.

Increase in Exports—Puget Sound, Great Lakes

The increase in export demand will be divided about evenly between the Puget Sound area of the United States and the Great Lakes area, the latter being mainly from refineries around Detroit and Toledo. We expect that exports to refineries in the Minnesota-Wisconsin and Upper Michigan areas will show a small decline in 1961.

If total exports of crude oil and natural gas liquids reach the anticipated level of 173,000 barrels per day in 1961, they will exceed by a substantial margin the previous peak of 152,000 barrels per day in 1957, during the Suez crisis.

We in Canada recognize the fact that the U. S. domestic producer has a problem in finding markets for potential production, similar in many respects to our own. Accordingly, we recognize that our expansion of markets in the United States must be achieved in an orderly manner, properly timed so as not to cause any dislocation of markets for U. S. domestic production. With a proper understanding of the problem on the part of government and the industry on both sides of the border, we see no reason why this cannot be done.

Logical Area for Export Growth

We believe that the logical area to which Canada should look for the major part of the growth in export markets required to meet the established target levels is the Puget Sound area of the Pacific Northwest, where Canadian crude oil would displace imports of crude oil from other sources outside the United States rather than U. S. domestic production.

With a major expansion of markets in the Puget Sound area, the increase in volume of exports to other U. S. markets required to achieve our established target levels would be very moderate in relation to total crude oil requirements of refineries in those areas. We see no reason why this should cause any material dislocation of U. S. domestic production.

Anticipated Rate of Export Growth Not Excessive

Looking ahead to 1965, we hope to see exports of crude oil and natural gas liquids increase from 173,000 barrels per day projected for 1961, to 264,000 barrels per day in 1965—an average annual increase over the next four years of approximately 23,000 barrels per day.

This is a point which I would like to emphasize as strongly as possible, as I have seen some indications of a grave misconception as to the further increases in export volumes required to achieve the target levels established under our National Oil Policy. Let me remove any doubt on this score. With the gains in export volumes to be achieved in the current year and with the anticipated expansion of our own domestic markets, further increases in exports required over the next few years to achieve our target levels are equivalent to no more than an average annual increase of something in the order of 23,000 barrels per day in the entire northern tier of states now served by existing pipe line facilities. It is not necessary, nor is it contemplated, that exports will increase at a more rapid rate.

Interior Secretary Udall recently expressed concern about the sharp increase in Canadian crude exports to the United States in the first half of 1961. He questioned whether this was—in his words—"a spurt that would level off in the months ahead" or a continuing trend. Although I cannot speak for the entire Canadian petroleum industry, my opinion is that the 1961 increase is a spurt, which will level off in the later months of this year and in succeeding years as indicated in my earlier remarks.

I would also like to point out that our studies indicate that a rate of growth of only 2 or 3% per annum in consumption of petroleum products in the areas served by existing pipe line facilities when expressed in crude oil equivalent, would be more than adequate to absorb an annual increase in exports of 23,000 barrels per day over the next few years.

In other words, Canadian crude oil is looking only to normal future growth in crude oil requirements in the areas concerned for the moderate increase in exports needed to achieve our target levels. This increase should not result in any reduction in the current level of U. S. domestic production for these areas.

Detroit-Toledo Refining Area—1961 Average: 25,000 B/D

There has been concern expressed in some quarters about the entry of Canadian crude oil late in 1960 into the refining area centered around Detroit and Toledo at the western end of Lake Erie. This area has a total installed capacity of about 320,000 barrels per day and is a major market for U. S. domestic production. In 1961 we expect that exports of Canadian crude oil to this area will average about 25,000 barrels per day or only about 8% of total installed capacity.

Over the next four years we hope to see some further increase in exports to this area, perhaps something in the order of 5,000 barrels per day annually. Such an increase, however, would mean that Canadian crude oil would look only to normal growth in crude oil requirements in the area for expanded markets and would not reduce the current level of U. S. domestic production for this market.

At the same time we realize the necessity of subjecting to the closest scrutiny any export proposal which might result in large volumes of crude oil or natural gas liquids entering U. S. markets at the expense of U. S. domestic production.

Conservation Board Rejected Proposal for Large-Scale NGL Export

Recognition of the necessity for orderly development of export markets was clearly evidenced in the recommendations of the Alberta Conservation Board about three weeks ago with regard to a number of applications to construct pipe lines for natural gas liquids produced in the province. The Board rejected a proposal that contemplated large-scale movements of natural gas liquids into the United States as not suitable for the marketing pattern anticipated by the Board, and found in favor of a proposal under which only limited volumes of condensate would move into export markets.

We are indeed gratified at the reception accorded in the U. S. to Canada's National Oil Policy and to the efforts thus far made to implement it. This attitude reflects, I believe, a recognition on the part of both government and industry in this country of the importance to the U. S. economy of a healthy producing industry in Canada.

Canadian Oil and Gas Reserves

In 1960, Canada's estimated proven reserves of crude oil and natural gas liquids of 4.2 billion barrels were equivalent to over 21 years' supply at the average 1960 production rate of 544,000 barrels per day.

By comparison, reserves of crude oil and natural gas liquids in the United States at the end of 1960 were estimated at 38.4 billion barrels—equivalent to only about 13 years' supply at the average 1960 production rate of approximately 8,000,000 barrels per day.

Canada's proved reserves of natural gas at the end of 1960 were estimated by the Canadian Petroleum Association at 30.7 trillion cubic feet—equivalent to 57 years' supply at the average 1960 production rate of close to 1.5 billion cubic feet per day. Even with the substantial increases in production that will result from the new export projects coming on stream later this year, Canada will have—for a great many years into the future—large volumes of natural gas surplus to her own requirements and available for export.

The Alberta Conservation Board puts a much higher figure on proven reserves of gas than the CPA does under its more conservative ground rules. For Alberta alone, the Board estimates reserves at the end of 1960 at 32.9 trillion cubic feet, and these would increase to between 60 and 70 trillion cubic feet by 1990.

Abundant Oil and Gas Reserves Fortunate Circumstance for U.S.

The abundance of these oil and gas reserves appears to be a very fortunate circumstance for the United States, and I believe in responsible quarters in the United States it is recognized as such. Informed thinking on the subject appears to be almost unanimous that any significant increase in the producing capacity of the United States in the future is highly unlikely. Therefore, in order to meet the continuing growth in demand for petroleum, a steadily increasing percentage of total U. S. petroleum requirements will have to be supplied by imports. The Canadian petroleum industry is counting heavily on this growth in the U. S. import requirements to provide a major expansion of markets for production in Western Canada.

Over the longer term, there is every reason to expect that this will be the case. For the producing industry in both countries, however, the next four or five years are critical. From the Canadian point of view, the same reasons that make it essential, in the interest of national security, to sustain a healthy producing industry in the United States, apply with equal force to the producing industry in Canada. This, of course, has been recognized by your government in the exemption from import quotas of Canadian crude oil moving overland into the United States, and also in the favorable reception of our National Oil Policy with its stated objective of a reasonable increase in volume of exports.

Ample Room for Growth in U. S. Exports

We in Canada believe that there is ample room for the growth in exports to the United States that will be required over the next few years to sustain a healthy producing industry in Canada. Again, I would like to emphasize that in order to achieve this position in exports, it is necessary for Canada to participate in the normal growth of demand in areas served by existing pipe line facilities, without any reduction in the current level of U. S. domestic production for these market areas.

Naturally, we are not very favorably disposed towards any suggestion that Canadian crude oil should be regarded as standby capacity to be drawn on only during emergencies such as the Suez crisis of 1956 and 1957. We do not feel, however, that there is any reason for undue concern on this score, so long as the problem is kept in its proper perspective against the background of the longer-term benefits that will accrue to both countries. Accordingly, we take an optimistic view of the future prospects of the Canadian producing industry.

Outlook for the Future

As pointed out, the target level of our National Oil Policy for production of crude oil and natural gas liquids in 1963 is 800,000 barrels per day. With the progress that we anticipate in the current year, and with full implementation of the policy in expansion of our own domestic markets, we are certainly hopeful this target level will be met.

Expansion of Domestic Markets

In meeting the 1963 target, not less than 50% of the required increase is expected to come from expansion of domestic markets. In this connection, you have probably seen the recent announcement of the immediate construction of a new refinery of 30,000 barrels per day capacity in the Toronto area. This will provide an additional outlet for Canadian crude oil, displacing products re-

TABLE I

Supply and Demand for Crude Oil, Natural Gas Liquids, and Refined Petroleum Products in Canada

(Thousands of Barrels per Day)

	—Actual— 1945	1960	—Estim.— 1961	1965
SUPPLY—				
Production of crude oil and natural gas liquids	23	544	645	880
Imports of crude oil	159	347	349	370
Imports of refined products	16	98	88	99
Inventory change (net drawdown)	2	--	--	--
Total Supply	200	989	1,082	1,349
DEMAND—				
Domestic demand for products including refinery fuel	192	855	890	1,068
Exports of crude oil & natural gas liquids	--	113	173	264
Exports of refined products	8	9	7	6
Inventory change (net increase)	--	7	12	11
Total Demand	200	989	1,082	1,349

Compiled by The British American Oil Company Limited.

TABLE II

Canadian Production and Proven Reserves of Crude Oil

(Excluding Natural Gas Liquids)

(All Volumes in Thousands of Barrels)

	Crude Oil —Production— Average Daily (1)	Total for Year (2)	*Exploratory Test Wells Drilled (3)	—Reserves— Additions to Reserves (4)	Net Increase in Reserves for Year (5)	Remaining Reserve at Year End (6)	Producing Capacity Average Daily (7)	Production as % of Producing Capacity (8)	Years' Supply at Annual Rate of Production (9)
1950	78	28,378	---	------	------	1,202,600	---	--	---
1951	130	47,318	485	220,300	172,982	1,375,582	210	62	---
1952	166	60,500	961	363,409	302,909	1,678,491	265	63	---
1953	221	80,597	906	245,075	164,478	1,842,969	325	68	---
1954	261	95,157	928	457,343	362,156	2,205,125	365	71	23.2
1955	348	126,972	885	426,605	299,633	2,504,758	535	65	19.7
1956	462	168,713	899	508,672	339,959	2,844,717	750	62	16.9
1957	496	181,107	1,058	205,972	24,865	2,869,582	870	57	15.8
1958	455	166,045	849	457,495	296,322	3,165,904	939	49	19.1
1959	503	183,789	905	514,959	331,220	3,497,124	973	52	19.1
1960	524	191,104	818	372,522	181,418	3,678,542	1,035	51	19.3
1961	600	219,000	750	331,500	112,500	3,791,000	1,050	57	17.3
1962	646	235,900	900	397,800	161,900	3,952,900	1,083	60	16.8
1963	712	259,800	900	397,800	138,000	4,090,900	1,121	64	15.8
1964	745	272,600	900	397,800	125,200	4,216,100	1,155	65	15.5
1965	794	289,800	900	397,800	108,000	4,324,100	1,185	67	14.9

*An "exploratory test" is defined as any well that is drilled in search of new and as yet undiscovered pools or in search of long extensions to pools already discovered. Data for 1951 to 1960 are from CPA statistics.

Compiled by The British American Oil Company Limited

fined from imported crude oil in Montreal.

We expect that in 1961 receipts of Canadian crude oil and condensate by Canadian refiners will be up more than 40,000 barrels per day or about 10% over 1960. About three-quarters of this increase, or approximately 30,000 barrels per day, will be due to increased take by Ontario refiners.

Table I, in the tables supplied, projects the overall supply and demand for crude oil, natural gas liquids, and refined petroleum products for Canada for 1965. This projection is based on the assumption that the target level for 1963 will be met and that subsequent expansion of markets will raise the level of production in 1965 to an average of 820,000 barrels per day. Under demand, on the bottom half of the Schedule, note that 264,000 barrels per day will be for export markets.

For what it may be worth, our current projection of production of crude oil and natural gas liquids for 1970 is in the order of 1.2 million barrels per day.

Exploration, Production and Producing Potential

Assuming that these estimates of production are somewhere in the ball park, what do they mean in terms of exploration activity in Western Canada and the relationship of production to potential capacity?

We have tried to give some indication of this by means of Table II in which we necessarily have had to make some very broad assumptions. Note that Schedule "B" is concerned only with crude oil production and reserves and does not include natural gas liquids. Our main point in this projection is that we believe we can look for a steady improvement in the ratio of production to producing capacity over the next five years, if the target levels of the National Oil Policy are met. On the assumptions we have made, this ratio should increase from 51% in 1960 to 67% in 1965.

To put it another way, estimated remaining reserves at the end of each year, expressed in terms of years' supply at the applicable current rate of production, should decline from 19.3 years' supply in 1960 to 14.9 years in 1965. By that time it will begin to approximate the present ratio in the United States.

While it might be said, because of its broad assumptions, that this projection in Schedule "B" is something of an exercise in arithmetic, we do think it tends to substantiate our view that the outlook for the producing industry in Western Canada is encouraging even for the relatively short time. On this basis, we feel it can support the high level of exploration that will be absolutely essential if we are to be in a position to take advantage of the opportunities for expansion of markets that will develop after this period.

Markets for Natural Gas

As to markets for natural gas, we expect that in 1965 total sales for domestic and export markets will exceed 3 billion cubic feet per day as compared with an estimated 1.6 billion cubic feet per day in 1961 and 2.1 billion cubic feet per day in 1962. Projected sales of over 3 billion cubic feet per day in 1965 anticipate that some additional volumes will be authorized for export in excess of those currently approved.

We recognize that the finding of markets for the by-products of natural gas—namely, gas liquids and sulphur—as sales of natural gas increase, will require a major effort on the part of the industry. However, with the orderly marketing of these products on a sound economic basis, we feel there is reason for optimism. We have taken account of these natural gas liquids in our overall supply and demand projections in Schedule "A."

Outlook for Industry Earnings

In the light of the encouraging outlook for very substantial increases in production of crude oil and natural gas in the next few years, we naturally look for a very marked improvement in earnings and cash flow from this phase of the business. With increased revenues from production, the producing segment of the industry should begin to show an overall profit in this period; and cash flow from operations should exceed by a substantial margin further outlays required for capital and exploratory programs.

Another important problem plaguing the industry in recent years is the market reduction in earnings from refining and marketing operations. Unfortunately there is little prospect for improvement of earnings in these areas so long as we continue to operate in a marketing environment in which the emphasis is on volume rather than profit.

While there are no reliable statistics for the industry as a whole, I am very doubtful if many integrated oil companies are earning as much as 5% after income taxes at normal statutory rates on capital employed in refining and marketing operations.

Certainly, at current price levels, the average new capital investment in this phase of the business is earning a much lower rate of return than 5% after income taxes if the earnings from new investment are required to bear a proportionate share of the fixed costs of operation.

This is a situation which I do not believe can continue indefinitely if the industry is to maintain the heavy capital expenditure programs required to supply the growing demand for petroleum products. I do not believe you can have a healthy industry if any important segment is not profitable in its own right.

The only long-range solution to these problems lies in a careful reappraisal of marketing policies and practices by all companies in the industry. There must be a full awareness of the impact that unrealistically low prices have in depressing general price levels and earnings from this phase of our business.

There is evidence that such a reappraisal is already under way in some companies where the greater emphasis is being given to profits rather than to volume. I am sufficiently optimistic to believe that good business judgment will eventually prevail in this area and that an improvement in the general level of earnings from refining and marketing operations, in terms of return on invested capital, can be looked for in the next few years.

*An address by Mr. Loughney before the New York Society of Security Analysts, Inc., N. Y. City, July 17, 1961.

With Walter Gorey Co.

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif.—Carlton G. Thomas has become associated with Walter C. Gorey Co., Russ Building. Mr. Thomas was formerly with Hill Richards & Co. and in the past conducted his own investment business in Grass Valley, Calif.

Delafield Partner

On Aug. 1 Donald H. Cox became a limited partner in Delafield & Delafield, 45 Wall Street, New York City,, members of the New York Stock Exchange.

Hicks, Price Partner

CHICAGO, Ill.—On Aug. 1 Nathan Hill became a partner in Hicks, Price & Donaldson, 231 South La Salle Street, members of the New York and Midwest Stock Exchanges.

Hogle Training School Graduates

The 11-member first class of the newly established Securities Sales Training School of J. A. Hogle & Co. was awarded graduation certificates in Salt Lake City recently by James E. Hogle, managing partner of the 21-office Intermountain, Southern California and New York City area brokerage firm.

The 15-week, intensive course in stock broker training is designed to prepare the men to qualify as full registered representatives subject to approval by the New York Stock Exchange, other principal exchanges and state and Federal agencies having jurisdiction over the securities business.

The school was established in the firm's home office as a national training center for men selected for careers as stock brokers with various of the J. A. Hogle & Co. offices. The principal course is securities analysis. Selling techniques also are stressed. Special classes cover corporate financing, money and banking, effective speaking and speed reading.

The 11 graduates and the J. A. Hogle & Co. offices with which they are now affiliated are: Jerry J. Feder, Tucson, Ariz.; Arnold S. Newman and Frank M. Mosier, Los Angeles, Calif.; James Dixon Rivenes, Corona del Mar, Calif.; Donald C. Stansell, Riverside, Calif.; James Milton DeVore, Beverly Hills, Calif.; John Joseph McGarrie, Jr., and Nathan D. Weisbard, New York City; James DiSanto, Ogden, Utah; Dean W. Cluff, Provo, Utah, and John McGee Allen, Salt Lake City, Utah.

Our Poor Economic Performance Related to Depreciation Policy

Study finds high correlation between liberal depreciation allowance and full employment and economic growth. We are ranked last in economic growth and next to the worst in unemployed compared to eight leading free world countries.

The United States has the lowest rate of economic growth and the second worst unemployment burden of the eight leading industrial nations of the free world, according to a special report released recently in New York City.

A survey conducted by the American Economic Foundation shows the there is a significant relationship between these factors and the fact that this country allows its industry, by far, the lowest depreciation rates of all the countries studied.

Included in the survey were Japan, Italy, West Germany, France, Sweden, England, Canada and the United States.

All the seven other countries, except for Canada, exceeded the United States in depreciation allowances, growth and employment. Canada, suffering from the delayed effects of the recent American recession, had a greater percentage of unemployed than the United States, but in spite of this, its economic growth rate over the past seven years was shown to be significantly higher and its depreciation allowances correspondingly larger.

The report contrasted the poor performance of the American economy with that of Japan, which has the most generous depreciation allowance in the free world. The Japanese rate of economic growth since 1953 has been considerably more than twice that of the United States and the country ranks among the top three nations in regard to employment with all but 1.1% of the labor force at work. The United States had the second worst unemployment problem of all the nations, with 6.8% of its work force idle.

Even Sweden, with its quasi-socialistic economy, not only provides more generous allowances, but also has had a rate of economic growth 13% greater than the United States since 1953 and now has nearly full employment.

The importance of depreciation rates as a factor in the economic health of the nation was graphically illustrated in West Germany last year, the report stated. It said that a threatened investment boom was avoided by the Bonn government through a reduction in the extremely generous German allowances.

It was explained in the report that the year 1953 was chosen as a base for comparison of economic growth because by then all of the countries studied had recovered from the effects of World War II and had either reached or surpassed their peak pre-war production levels.

First Peninsula Secs.

First Peninsula Securities Co., Inc. is engaging in a securities business from offices at 200 West 57th Street, New York City. Officers are Harry Berman, President; Shirley Berman, Joseph R. Sterling and Leo Vine, Vice-Presidents; Marvin J. Berman, Secretary; and Sidney M. Vine, Treasurer.

Now Proprietorship

Victor J. Dishy is now sole proprietor of Investors in America Co., 48 West 12th Street, New York City. He was formerly a partner in the firm.

Johnson, Lane, Space Adds

(Special to The Financial Chronicle)

ATLANTA, Ga.—William C. Settle has been added to the staff of Johnson, Lane, Space & Co., Inc., Commerce Building. He was formerly with the Trust Company of Georgia.

Wode & Co., Inc. Formed

(Special to The Financial Chronicle)

DENVER, Colo.—Wode & Company, Inc. has been formed with offices at 1515 Cleveland Place to engage in a securities business. Officers are Edward E. Wode, Jr., President; and V. I. Scheehser, Secretary-Treasurer. Mr. Wode was formerly with Peters, Writer & Christensen.

New McKee Office

MONROEVILLE, Pa.—C. S. McKee & Co. has opened a branch office at 3981 William Penn Highway under the management of John M. Aulbach.

Will Repeal of 25% Gold Cover Enhance Dollar's Status?

Continued from page 3

in the world economy has been continuously unfavorable for a decade. Only obsession with Keynesian ideology prevented the imbalance being seen and dealt with. The obvious monetary explanation of the early dollar shortages of the postwar era, viz., the inflationism practiced in the deficit countries,[1] was rejected, since it conflicted with Keynesian notions of what each country should and could bestow upon itself in the way of full employment and the blessings of the welfare state. Instead, the "it's fate" thesis became the academically respectable explanation of the deficit countries' difficulties. The American economy, it was pessimistically predicted, would retain its productivity lead over other countries regardless of what monetary and economic policies they or the U. S. might pursue.

Considering the fact that this view was propounded by, among others, prominent growth theorists, it is curiously "static," seemingly blind to the possibility and the probability of a structural alteration of the American economy in relation to the rest of the world (or conversely of structural changes occurring in the rest of the world in relation to the U. S.). It is hardly cause for surprise to find that the holders of such views, given their former disparagement of the role of inflation (in other countries) in the dollar shortage, should pooh-pooh inflation (in the U. S.) as a factor in the emergence of the dollar glut. Predictably, the suggestions of this school for curing the deficit in the balance of payments of the U. S. aim at its symptoms rather than its causes.

Criticizes Gold Proposal

It is such a short-run panacea which in essence is represented by the proposal to scrap the 25% gold cover rule. It is important to note, nevertheless, that the dropping of the 25% rule would result in the disappearance only of the *internal* gold cover of the dollar; its gold content for international purposes ($35 an oz.) would remain unaffected. Provided it were not interpreted as a mark of our own Government's lack of confidence in the future of the dollar—and this is an important proviso—such a measure would admittedly bring about a substantial improvement in the international liquidity of the United States. The present law ties up $11 billion of the total of approximately $17.5 billion in gold reserves currently held by the United States.[2] The closer the U. S. gold stock approaches the legal floor of $11 billion, the more rapidly will foreign-held dollars be converted into gold due to foreigners' fear of being unable to convert when the "free" gold is gone. The freeing of the currently immobilized $11 billion would, in consequence, postpone into the future a run on American gold motivated by this kind of fear. The availability of additional reserves for international use would give the American authorities greater leeway in the administration of domestic monetary policy; and from the psychological standpoint, the defense of the dollar in the money markets of the world would doubtless be substantially eased. These are results, it is necessary to emphasize, which depend on the repeal of the reserve requirement not being given an unfavorable interpretation abroad; they are results, moreover, which may be safely postulated only for the short run.

II

What then of the long run? Specifically, what if the basic deficit —that resulting from the current high level of private capital outflow, from economic and military aid to other countries, and from the relative decline of our traditionally large trade surplus—should persist and foreigners should continue to convert their excess dollar earnings into gold? In this eventuality, there is no reason to suppose that the $11 billion of gold which would be "freed" if the gold cover requirement were eliminated, would not also sooner or later be drawn down — theoretically to the last ounce—to meet our international debts. What then?

The truth is that dropping the gold-backing requirement and similar attempts to palliate the symptoms of the balance of payments deficit will have no effect on the real causes of the latter which are (1) the progressive inability of U. S. producers to compete in world markets due to the almost uninterrupted rise of domestic prices and costs in the postwar period and (2) the tendency for U. S. producers, given the relatively high level of domestic costs and the associated relatively high level of domestic incomes, to concentrate their selling efforts in the domestic rather than in the foreign market. The results of these processes are that exports fall off because other countries are increasingly able to undersell us in third markets. In addition, otherwise exportable resources are diverted to American home consumption because of the inflationary expansion of domestic demand. Conversely, imports tend to rise in a context of inflation both because they are more competitive cost-wise than comparable domestic products and because, apart from price level differences, they serve to fill the "inflationary gap" (which occurs when the total monetary claims on a nation's resources exceed what is available to satisfy them).

Cost of Living Index Held Misleading

Occasionally it is asserted that inflation can hardly be the cause of our present international embarrassment since the U. S. cost-of-living index (the most commonly used barometer of inflation) has not moved up any faster than this same index in some of the countries now draining off our gold, e.g., West Germany.[3] But the movements of price indices by themselves, contrary to widespread belief, provide only very inadequate and sometimes even misleading measures of comparative international rates of inflation (or deflation). This is because such indices say nothing about the *absolute* differences of prices and wages in effect in different countries at the time of the base period. In fact, American wages in money terms—at given rates of exchange — were far higher and American commodity prices were lower at the end of World War II than those prevailing in Europe, a situation which found its explanation and its justification in the greatly superior level of American to European productivity which then obtained. More recently, as is well known, the ratio of productivity increases to money wage increases in Europe has been greater than this same ratio in the United States, that is, the productivity gap between the United States and Europe has been closing fast whereas the money wage gap — again at given rates of exchange — has tended to close much more slowly. This has had the effect of "inflating" U. S. wage levels relative to those elsewhere; in turn, the prices of U. S. commodities in which wages are an important part of costs have been subjected to upward pressures not present in the same degree in other countries.

Moreover, the absolute movement of the cost-of-living index (or of other similar indices) only partially reveals the extent of domestic inflation. The mere fact that prices remain stable is no indication that inflation is not present. For example, technological improvements, other things being equal, should cause some prices to fall, but they may be prevented from doing so because of inflationary expansion of the money supply.[4] The point is that inflation need not, though it often does, take the form of rising prices. The initial effect of inflation is to generate excess demand for goods and services. For such excess demand, two escape valves, apart from increased saving, are available: (1) a rise in prices, which offsets or absorbs the increased quantity of money or (2) an increase of imports over exports, which has the same effect. In fact, inflationary excess demand, insofar as it is not absorbed into price rises, tends to consume domestic resources otherwise available for exports and to spill over into other countries (the less inflationary ones). In this situation, imports will tend to increase and exports to decrease. It is precisely our foreign deficits — the excess of imports over exports— which, together with whatever price rises have occurred, reveal the full measure of our home-made inflation.

Capital Outflow

It is necessary to point out, additionally, that the large movement of private capital out of the United States in recent years is not unrelated to the domestic inflation of costs and prices. Entrepreneurs everywhere seek to invest their capital in projects which will yield the highest return. But returns will tend to be higher— other things being equal—where costs, especially wages, are lower. While there is in principle no reason to be concerned at the outflow of private capital from a country so plentifully endowed with it as the United States, the close dependence of employment upon capital—the instruments of production—cannot be overlooked. Capital outflow, where it occurs in sufficiently large amounts and rapidly enough to depress opportunities for employment of domestic labor, is something about which one has a right to be alarmed, particularly where the outflow is occurring because inflation makes it uneconomic to invest in the home country. It is ironic that the same persons who lament the "slack" in the domestic economy tend to favor precisely that course of action—the toleration of inflation for the sake of alleged "growth"—which is creating the slack by forcing domestic capital into foreign enterprises. This is not intended to imply that we should raise artificial barriers to the export of American capital or in any other way interfere with the freedom of investors to place their money wherever they choose. It is, rather, the *conditions* which are giving rise to what may be an unhealthily large capital outflow which should be corrected.

There seems little reason to doubt the validity of the view expressed by George Romney, a leading figure in the American automobile industry, that the recent large migration of capital both within the country as well as from it are both a cause and a symptom of the economic stagnation which has afflicted the United States for the past several years. Romney writes:

". . . the investment of American capital abroad, both in the automobile business and in other industries, is *in excess* of that required to meet the needs of foreign markets. It is intended importantly for the penetration of our domestic market from abroad . . . I believe that before economic decisions of the character currently being made to move significantly the automotive base in the United States to the world, based on components from here, as well as elsewhere . . . the people of this country ought to be told what the economic facts are that make it necessary to base economic expansion abroad rather than at home . . . our nation is in the early stages of having the same thing happen to it that has already happened to Detroit and Michigan; namely, economic decisions being made to get out rather than to face the issues and the problems and try to do something about them . . ."[5]

Depicts the Central Issue

It is the central issue of inflation, in the final analysis, around which the others revolve: on the one hand, the ability of large, organized groups to foist wage and price rises on the country which are unrelated to productivity and to wage and price movements elsewhere in the world, and on the other hand, the failure of the monetary and fiscal authorities to offset, or even to resist this process. Indeed, the government itself, in one of the least understood but on that account most effective of deceptions, will not infrequently be found deliberately *using* inflation to divert to itself a greater share of the total output of goods and services than it would have received under the existing, politically feasible level of taxation. It is hard to see how our international accounts can be brought into better balance until these issues are faced and effectively dealt with; it is, however, even more difficult to see how doing away with the 25% reserve requirement will enable us to deal with them.

III

Concern for the U. S. balance of payments position is not the only reason behind the move to abolish the 25% gold cover rule. The sentiment for repeal is also linked to the emergence of an alleged international liquidity problem, i.e., a lag in the growth of international means of payment (principally gold) behind the vast growth in world trade of recent years. And this is asserted to be a problem for whose solution the United States, as in so many other cases, bears the major responsibility.

Members of the "drop the gold reserve requirement" school maintain that the development in our time of responsible monetary policy and the growth of international financial institutions make the tying of money to gold an anachronism. A gold reserve, it is argued, adds nothing to the domestic strength and stability of a nation's currency. The original reason for the gold-money link was to protect the people from the horrors of a galloping inflation or a deep depression. Since the likelihood of these catastrophes recurring today is very remote, there is little ground for using gold as insurance against them. But above all, it is asserted, the U. S. holds too much gold in relation to the international community's need for this commodity to finance world trade.[6]

Real Reason for International Illiquidity

Even a superficial acquaintance with the adventures in inflation of the free world in the postwar era and the associated chronic balance of payments crises would indicate that such views constitute an excessively optimistic judgment of recent history and a failure to understand the real reason for the emergence of an international liquidity problem. It is in fact because many once stable national currencies have been eroded by inflation since the general abandonment of the gold standard in 1931 and more particularly since the end of World War II that they have been rendered useless for purposes of making international payments. As a result, the burden of these payment functions was shifted increasingly from the eroded "soft currencies" to gold and to such hard currencies (including dollars) as still remained in international circulation. It is because gold is now preferred increasingly to a "softened" dollar (as dollars were only recently preferred to certain other currencies) that a relative international shortage of the former commodity has developed.

The international liquidity problem—if there indeed is such a thing—is not a general illness afflicting the world because of the failure of the growth in gold stocks to keep up with the growth in world trade. It appears only where *some* countries have chronically unbalanced balances of payments (surpluses or deficits). If all nations' imports and exports on current and capital account exactly balanced, no international movement of cash would be required at all. Admittedly this is a hypothetical situation which is rarely if ever realized. But the principle (it is hoped) is clear: viz., that surpluses and deficits (or excess liquidity and deficient liquidity) arise in individual countries as the product of their individual policies and not in the world at large. Even short-run disequilibria, providing they are not extreme in amount, will not give rise to a "liquidity problem" since these can be bridged in the normal case by a country's own reserves of cash and its access to international short-term credit. It is the *persistence* of deficits in individual cases which gives rise to a liquidity problem.

When International Liquidity Crises Were Nonexistent

Our present situation needs to be compared with the operation of the gold standard in its heydey, one of the striking characteristics of which was the small international movements of gold it required. In consequence, the gold reserves needed by an individual gold standard country were relatively modest. International liquidity crises of the kind experienced regularly in recent decades were nonexistent under the gold standard, precisely because the relative stability of national currencies, due to the avoidance of chronic inflation everywhere, made them as "good as gold" in the financing of international transactions. The ready accepta-

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1 Admittedly, some substantial fraction of the European deficits which existed immediately upon the cessation of hostilities in 1945 and for a time thereafter were due to war-caused shortages and dislocations, not to deliberate policies of inflation. Dollar aid to cover these dollar shortages is not what is here criticized, but rather the persistence of such shortages well into the Fifties or long after the abnormalities of the reconstruction process could be reasonably proffered as an excuse therefor.

2 The $17.5 billion figure excludes the $4.1 billion net credits of the United States with the International Monetary Fund.

3 With the year 1950 considered as a base (1950 = 100), the per cent increase of the cost-of-living in West Germany and in the United States between 1950 and 1959 was the same, viz., 21%.

4 Neither is the fact that *some* prices rise any proof that inflation is present, since these rises may be offset by falls in other sectors. Properly speaking, only movements of the general price level, not those of individual prices are entitled to the appellation of inflationary or deflationary or "stable."

5 George Romney, *Customer Sharing and the Nation's Economy*, verbatim transcript of statement by Mr. Romney at New York press conference, December 15, 1960, published by American Motors Corporation (Detroit), pp. 7, 13.

6 Thus Henry Clay Alexander, an authoritative spokesman for the New York banking community, recently declared: "Repeal of the 25% gold-backing provision would be a logical step in the further improvement of our international monetary framework." (Quoted in *TIME*, December 12, 1960.)

bility of its national currency gave a country a second line reserve, so to speak, behind its gold supply; in addition, the existence of gold points and associated variations in international interest rates brought corrective movements of short-term capital to the aid of a country in temporary payments difficulty, reducing still further the pressures exerted on the domestic gold supply. As the eminent British authority on international economics, Roy Harrod, recently observed: "It is a paradox, which I believe is not open to question, that you need a much larger gold reserve if you are not on the gold standard than if you are."[7]

It should not be assumed that Mr. Harrod, a moderate Keynesian, is arguing for a return to the gold standard in making this observation. He is not. He is candid enough, however, to acknowledge the price that must be paid, in part, for giving up the gold standard.

"It would probably not have been very difficult to have returned to the old type of gold standard after the post-1931 flurries were over. But we did not want to do so, because we did not want to put ourselves back into a position in which we might once again feel it incumbent to put up the Bank Rate with a view to correcting the external situation. The easy money policy seemed to be having good effects internally . . . The price that we had to pay for the freedom to have whatever internal policy suited us was the need to have and to hold a larger gold reserve than we had ever been accustomed to before."[8]

It is not possible here to take up the large and difficult subject of whether the gold standard in its old form should be restored. What is necessary, however, is that at least one fundamental prerequisite of the gold standard system, viz., the maintenance of monetary and fiscal discipline within the several national economies, receive new and vigorous emphasis everywhere as a goal of national policy. Only in this way can the ultimate cause of the U. S. deficit (as well as of the deficits of other countries) be eliminated and the international liquidity problem reduced to manageable proportions.

IV

It is worth noting that while many of the active supporters of repeal of the internal gold requirement will admit, if pressed, that such a step is unable to ameliorate the basic deficit in the U. S. balance of payments, they will argue for it on the grounds that it will create a climate of confidence in which the short-run aspects of the deficit can be better dealt with. Fears that the dropping of the reserve requirement will invite further inflation in the U. S. are groundless, they add, since even now the U. S. money supply is still well below the theoretical upper limit set by the gold rule. This rule, in short, is declared to have only symbolic value as an obstacle to inflation.

We Must Keep Gold Even as a Symbolic Reminder

To this it must be answered: in a society most of whose institutional arrangements and whose prevailing ideology tend to *favor* inflation, the value of even a symbolic reminder that the quantity of money cannot be expanded indefinitely is certain to be very great. As a symbolic reminder of the outer limits of monetary and fiscal irresponsibility, the 25% rule has much the same function as the community's laws and ordinances governing vehicular traffic. There is just as little reason to abandon the reserve requirement because the monetary authorities have not as yet succumbed to the temptation (or to government pressure) to print currency up to the limit permitted by law as there is to abolish the penalties for hit-and-run driving on the grounds that only a tiny fraction of the people are ever involved in this kind of offense.

Even the short-run advantages of the proposed step seem on closer inspection to be nebulous. For one thing, the Federal Reserve Board already has the power temporarily to suspend the rule should the need for such suspension arise. But such action, it is objected, would be taken only when the prestige of the dollar has already been seriously diminished. The purpose of abandoning the 25% rule is to forestall such a crisis by bolstering *international* confidence in the dollar now. More specifically, the move is calculated to prevent a speculative deficit (outflow of dollars due to diminishing "free" reserves and associated fears of devaluation) from being added to the "basic" deficit (in the trade and long-run capital accounts). But foreigners are certain to be more impressed by the ability of the United States to hold the line against inflationary pressures at home, thus making gold outflow unnecessary, than by its willingness to pay out its entire gold reserve to back up a depreciating dollar. Moreover, where the new legal floor under our gold reserves is zero, there is just as much reason to expect an accelerated psychologically-induced run on American gold as reserves approach this limit as there is where the floor is at some higher level. Only the stopping of inflation, not the availability of more gold to pay out, can stop a gold outflow—a fact for which the recent experiences of a number of European countries which have returned to monetary discipline provide ample testimony.

What benefits, one is entitled to ask, will result to the United States from dropping the gold cover rule since (a) such a step is unable of itself to cure the basic deficit in our balance of payments (b) it will do away with an important psychological barrier to inflation in an inflation-prone society and (c) to that extent create a climate in which the basic deficit may actually grow larger?

If inflation is firmly resisted and the maintenance of the integrity of the currency becomes once again, as under the gold standard, a primary objective of all agencies of government, it will make little difference *internationally* whether the U. S. internal gold-backing requirement is dropped or not. But if, as seems likely, the "freeing" of the gold reserves will tend to perpetuate the national illusion that we can continue to manipulate our money supply and interest rates and to shape our economic policies (with respect to wages, prices, employment, taxes, etc.) without regard to the international consequences thereof, it can have only baneful consequences for America and for the free world.

[7] Roy Harrod, *Policy Against Inflation* (London: Macmillan, 1958), p. 53.
[8] Roy Harrod, *Ibid.*

With Newburger, Loeb

John A. Sherman, formerly a Vice-President of A. C. Israel Commodity Co., Inc., is now associated with Newburger, Loeb & Co., members of the New York Stock Exchange, at their main office, 15 Broad St., N. Y. City.

Weil & Doyle to Admit

Weil & Doyle, 30 Broad Street, New York City, members of the New York Stock Exchange, on Aug. 7 will admit Herbert J. McCooey to partnership. Mr. McCooey is a partner in Blair S. Williams & Co.

D. L. Truman Opens

LOS ANGELES, Calif.—David L. Truman is conducting a securities business from offices at 749 North La Brea.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Some Observations Pertaining to the Servicing of Speculative Accounts

ED. NOTE: This is the second in a series of articles on the above-indicated subject matter. The first one appeared in the issue of July 27.

Experienced salesmen know there are many unworthy underwritings that come to market. They also know that the heaviest crop of borderline speculative issues always appear in "bull" markets. The more the public speculates, the higher go the prices and the easier it is to sell securities that should never be offered to either speculators or investors. They also realize that the salesman with a active clientele is both a popular and a marked man during both "bull" and "bear" markets. In "bear" markets he is a welcome addition to the ranks of any sales organization because he can produce business to help pay the overhead. In "bull" markets his clients offer an opportunity to all those, from promoters, lawyers, accountants, and various underwriters with stock to sell, who wish to make use of his facilities and benefit thereby. The salesman is a vital cog in this business, and the better he can sell, the more opportunity he will have to make mistakes that can be disastrous to his future production and his livelihood. That is why it is important for the salesman to discriminate in his choice of speculative issues that he offers to his clients who buy this type of security. The pitfalls are not always clearly marked and mistakes can be made both of omission as well as commission. It is better, however, to miss a good deal that turns out to be a real winner occasionally through being too conservative than to take chances with your clientele. When in doubt—don't! It's a good rule to follow.

Some Guide Posts on the Rocky Road

I have learned over the years that when someone has something to sell, that they want to get rid of, they dress it up as nicely as possible. For this reason I am always suspicious of stockholders' meetings where special invitations are sent to brokers and salesmen, if there is a dinner or a cocktail party. I also never attend cocktail parties given by underwriters of prospective stock issues of a speculative character.

I once attended a shindig in New Orleans in 1928; it was given in one of the city's finest restaurants; practically every investment man in town was there. Someone had sense enough to smuggle in a court reporter, and when I read his notes a few days later, I wondered (even at that tender age) whether or not the speaker was drunk, crazy, or a plain crook. Parties, dinners, and staged affairs are still being conducted to promote the sale of stock, or issue propaganda to security salesmen, who, it is hoped, will be gullible enough to swallow some of the story and forget about a certified audit and income account. Unless I can obtain information from qualified company sources without fanfare and hullabaloo, I have no interest whatsoever in taking any stock in promises, hopes, or a chunk of the big blue sky.

Then there is this matter of "tips" on a stock. It may be listed or unlisted, but the fellow who wants to get rid of something is still working this old one to perfection. It never seems to wear out. And the more the market boils, the more active becomes the "tipster." A few weeks ago one of my speculative accounts excitedly called me and told me to sell out several hundred shares of a good telephone stock, also another good growth stock, and buy him as much as I could of a $12 number. He was so insistent that I do it at once that I threw in market orders for both the liquidation and the purchase. It went to 13¼ that day, the next day 14 on high and increasing volume, and it has now faded back to about 12 on reduced volume. He didn't know that a friend of mine had a tip on that same stock at 4 several months before he went in at 12; my friend knew some of the people connected with the company so well that he was completely lacking in confidence in their management and sold out around seven.

I did not tell my customer this and the reader may wonder why. The answer is very simple. He telephoned me and gave me an order; he didn't ask my opinion. He has been fairly successful during the past year and a half when many low priced speculative cats and dogs came to market, or had their run either over-the-counter or on an Exchange. He's a big boy; he likes to gamble and he can't sit still long enough to take a "long-term" six months' capital gain. He's the compulsive, reach for it and grab, small-time speculator, who always comes out into the sunshine when we have "bull" markets, and he is just made to order for those who want to distribute some stock at prices several times what it cost them, and often that's exactly what it is worth.

You can be sure that I didn't pick up the telephone and call any of my other customers about this one. Nor did I mention it to any of my associates in my office If you want to protect your clientele it is a good policy to—

Avoid cocktail parties staged by press agents, promoters, underwriters, or company officials.

No tips. Except to the waitress in your own restaurant, where you eat lunch every day. At least there you know to whom you can complain if you get a bad piece of fish.

Funston Report For 2nd Quarter

Keith Funston, President of the New York Stock Exchange, has taken note of the wide public support generated by the Exchange's stand on dividend taxation.

Keith Funston

In his report for the second quarter, Mr. Funston said that shareowners by the hundreds wrote to ask the Exchange to represent them in opposing Administration proposals to repeal the $50 exclusion and 4% tax credit that provide partial relief from double taxation of dividend income.

Mr. Funston also reiterated the Exchange's stand on proposals for tax withholding on dividends and some interest income. It would be more fair, particularly for millions of low-income shareowners, to continue an educational campaign reminding dividend and interest recipients that this money is taxable, he said. Ultimately, whatever gap may exist between earned and reported income of all types should be eliminated through electronic processing of tax forms, to begin in 1962.

(The House Ways and Means Committee has tentatively vetoed cancellation of the exclusion and credit and approved a plan for dividend and interest withholding, at a blanket rate of 16⅔%.)

He also pointed out that his appearance before the House Ways and Means Committee had presented an opportunity to refute the Administration's argument that the credit and exclusion benefit only a privileged few. Exchange testimony, he said, showed that more than half of all shareowners have total income of less than $7,500 and at least three million are relieved of all double taxation by the $50 exclusion.

Other highlights of the report included:

(1) Standards for original listing of common stock and criteria for consideration of continued listing were strengthened to meet the needs of a generally expanding economy, to help in maintaining fair and orderly markets, and to adjust for the substantial appreciation in securities values.

(2) The Exchange, with the assistance of The Psychological Corporation completed a Uniform Securities Examination to be offered to States. The test is designed to assist State securities commissioners who examine the qualifications of an estimated 25,000 securities salesmen not subject to Exchange or NASD jurisdiction.

(3) Passing scores for the Exchange's own new registered representative examination were raised by about 3% at the end of June, the second revision since this Psychological Corporation test went into effect at the start of the year as part of a program to strengthen training of registered personnel.

(4) Instructors in the ten Exchange-approved University and Institute courses met for two days in June to improve registered representative training courses.

(5) To warn against uninformed and unsound speculation on the fringes of the securities markets, the Exchange issued cautionary statements on April 4 and again on May 16. The Exchange also continued to urge all member organizations to take necessary steps to encourage sound principles of investing, and it was disclosed that most member organizations had adopted specific procedures in this area.

(6) Work was begun on the Exchange's 1962 Census of Shareowners, the third ever taken. Some 6,700 public corporations received informational forms for the 1962 Census. The Exchange expressed gratitude for the cooperation of these companies, other Exchanges, the National Association of Securities Dealers and the National Association of Investment Companies in the project. Requests for similar information will go out to member firms in the latter part of July.

(7) Share volume for the first half of 1961 reached a record 572 million shares, or a daily average of 4.6 million shares, but second quarter volume was down almost 10% from the first quarter.

(8) Net revenues for the first half were $1,070,000 after taxes, approximately $350,000 over the comparable 1960 period. Increased revenues, particularly from member charges based on commissions and clearing operations, largely reflected the higher share volume. Expenses were also up, by $1,250,000, more than half of this due to higher payroll costs.

STATE OF TRADE AND INDUSTRY

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cars or 1.9% above the preceding week.

The loadings represented a decrease of 35,681 cars or 5.8% below the corresponding week in 1960, but an increase of 47,742 cars or 8.9% above the corresponding week in 1959 when a nationwide steel strike was in effect.

There were 10,730 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended July 15, 1961 (which were included in that week's over-all total). This was an increase of 1,167 cars or 12.2% above the corresponding week of 1960 and an increase of 3,199 cars or 42.5% above the 1959 week.

Cumulative piggyback loadings for the first 28 weeks of 1961 totaled 305,966 for an increase of 11,539 cars or 3.9% above the corresponding period of 1960 and 87,374 cars or 40.0% above the corresponding period in 1959. There were 58 class I U. S. railroad systems originating this type traffic in the current week compared with 52 one year ago, and 50 in the corresponding week in 1959.

Intercity Truck Tonnage About 1% Ahead of 1960 Week's Volume

Intercity truck tonnage in the week ended July 22, was less than 1%, or 0.8%, ahead of the volume in the corresponding week of 1960, the American Trucking Associations, Inc., announced. Truck tonnage was 2.6% greater than that of the previous week of this year.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

Electric Output 6.3% Higher Than in 1960 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, July 29, was estimated at 16,107,000,000 kwh. according to the Edison Electric Institute. Output was 278,000,000 kwh., above that of the previous week's total of 15,829,000,000 kwh. and 950,000,000 kwh., or 6.3% above that of the comparable 1960 week.

Lumber Shipments Were 1% Below 1960 Volume

Lumber production in the United States in the week ended July 22, totaled 218,810,000 board feet compared with 181,855,000 board feet in the prior week, according to reports from regional associations. A year ago the figure was 228,043,000 board feet.

Compared with 1960 levels output dropped 4%, shipments dipped 1%, and orders rose 4.5%.

Following are the figures in thousands of board feet for the weeks indicated:

	July 22, 1961	July 15, 1961	July 23, 1960
Production	218,810	181,855	228,043
Shipments	224,915	186,335	227,220
Orders	231,054	216,139	221,181

Wholesale Food Price Index Lowest in Five Weeks

The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., dipped moderately in the latest week and also fell below a year ago. On Aug. 1, the Index was down 0.9% to $5.90, the lowest level in five weeks, and 1.3% below the $5.98 in the similar week of 1960.

Declining in price this week were wheat, corn, rye, oats, barley, hams, lard, cheese, sugar, coffee, cocoa, eggs, and potatoes. On the other hand, higher prices were quoted for flour, beef, bellies, milk, steers, and hogs.

The Dun & Bradstreet, Inc., Wholesale Food Price Index represents the sum total of the price perpound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Index Dips From Prior Week

The general wholesale commodity price level, after again edging up to the year's high of 272.20 on July 25, dipped later in the week and was off slightly from the comparable day a week ago. Although tin, rubber, corn, lard, hog, steer, and hide prices rose from last week's levels, their increases were outweighed by declines in prices quoted for wheat, rye, oats, coffee and sugar.

The daily wholesale commodity price index stood at 271.83 (1930-32=100) on Monday, July 31, compared with 271.85 in the preceding week and 268.94 on the same date last year.

Business Failures Turn Down In Latest Week

Commercial and industrial failures declined moderately to 319 in the week ended July 27 from 343 in the preceding week, reported Dun & Bradstreet, Inc. Despite this downturn, casualties remained above a year ago when 293 occurred and were considerably above the comparable 1959 toll of 252. Also, 10% more concerns failed than in pre-war 1939 when 291 were recorded.

The week's decline was concentrated among casualties involving liabilities under $100,000, which fell off to 276 from 307 in the previous week but continued above the 257 of this size last year. Large failures with losses in excess of $100,000, in contrast, turned up slightly to 43 from 36 both a week ago and in the similar week of 1960.

Thirty-eight Canadian failures were reported as against 45 in the preceding week and 30 in the corresponding week of last year.

Retail Trade Data Not Available

Dun & Bradstreet, Inc., announced it would be necessary to omit its regular report *Trade Review of the Week* for the week ended July 26. It will be resumed as usual, however, with the next report to cover the period ended Aug. 2, 1961.

Nationwide Department Store Sales Increase 2% Above The 1960 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended July 22, 1961, showed a rise of 2% over the like period last year. For the week ended July 15, an increase of 3% was reported. The four-week period ended July 22, 1961, sales advanced 2% over last year.

According to the Federal Reserve System, department store sales in New York City for the week ended July 22, had been 2% higher than same period last year. In the preceding week ended July 15, sales were 5% higher than in the same period last year. For the four weeks ending July 22, a 2% increase was reported above the 1960 period, while from Jan. 1 to July 22, a 2% increase over sales in the comparable period of 1960, was recorded.

With Shearson, Hammill

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—John K. Torosian has become associated with Shearson, Hammill & Co., 21 Congress Street. He was formerly with Goodbody & Co.

C. E. D. Completes Massive Money and Credit Study

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country banks and reserve city banks be eliminated.

The Commission recommends that existing statutory reserve requirements against savings and time deposits be repealed, and that pending repeal of such requirements, those banks and competing thrift institutions subject to them be permitted to hold reserves in the form of either cash or Treasury securities with maturities up to five years.

The Commission recommends that Congress continue to grant to the Federal Reserve Board a range within which reserve requirements can be set for demand deposits, perhaps from 8 to 18%, so that the Board can adjust the specific level to meet the needs of growth or to meet emergency needs.

Federal Reserve System

The Commission recommends that all insured commercial banks should be required to become members of the Federal Reserve System.

The Commission recommends that there be no extension of direct Federal Reserve controls over non-bank financial institutions.

The FRB Chairman and Vice-Chairman should be designated by the President from among the Board's membership, to serve for four-year terms coterminous with the President's.

The FRB should consist of five members, with overlapping 10-year terms, one expiring each odd-numbered year; members should be eligible for reappointment.

The FRB Chairman should be the chief executive officer of the Board, empowered to handle administrative matters.

Occupational and geographical qualifications for Board members should be eliminated. Instead, the statute should stipulate that members shall be positively qualified by experience or education, competence, independence, and objectivity commensurate with the increased responsibilities recommended for them in the achievement of low levels of unemployment, an adequate rate of economic growth, and reasonable stability of price levels in the economy. Salaries of top government officials should be sharply increased, and in view of the gravity of their responsibilities, FRB members should be compensated at the highest salary level available for appointive offices in the government.

The present statutory Federal Advisory Council should be replaced by an advisory council of 12 members appointed by the Board from nominees presented by the boards of directors of the Federal Reserve banks. At least two nominations, not more than one of them from any single sector of the economy, should be presented by each bank. The Board should make its selection, one from each district, in such a manner as to secure a council broadly representative of all aspects of the American economy. Council members should serve for three-year terms, not immediately renewable. The council should meet with the Federal Reserve Board at least twice a year.

An important internal source of advice should be further recognized and strengthened. The law should formally constitute the 12 Federal Reserve bank presidents as a conference of Federal Reserve bank presidents, to meet at least four times a year with the Board, and oftener as the Board finds necessary.

The determination of open market policies should be vested in the Board. In establishing its open market policy the Board should be required to consult with the 12 Federal Reserve bank presidents.

The determination of the rediscount rate (the same for all Reserve banks) should be vested with the Board. In establishing this rate the Board should be required to consult with the 12 Federal Reserve bank presidents.

The determination of reserve requirements should continue to be vested in the Board. In establishing these requirements the Board should be required to consult with the 12 Federal Reserve bank presidents.

The Commission recommends that the present form of capital stock of the Federal Reserve banks should be retired. Instead, membership in the System should be evidenced by a non-earning certificate of, say, $500, the same for each member bank.

Although there is no easy solution to this issue, the Commission believes that the Federal Reserve should follow the general rule that the public should be kept informed with reasonable promptness and with reasonable detail of the reasons for its major policy decisions and actions in order to avoid misunderstanding and misinterpretation.

The Public Debt

The Commission concludes that none of the difficulties posed by the existing debt are so great as to justify giving priority to a policy of debt reduction if such a policy would interefere with a stabilizing fiscal policy. A gradual reduction in the debt can be effective as a stimulant to sustainable economic growth only if combined with other measures which maintain low levels of unemployment and reasonable price stability. In short, the debt should be permitted to fluctuate in response to the policies required for economic stability and growth.

The Commission concludes that sound debt management requires that we arrest the shortening of the outstanding publicly held marketable debt which has occurred since the end of World War II. The Treasury should pursue a program which, over time, would lead to a more balanced and sustainable maturity structure for the debt.

The Commission concludes that once the shortening of the debt structure is arrested, management of the marketable debt can and should make some contribution to stabilizing the level of economic activity. However, the primary responsibility for achieving this objective must be borne by monetary and fiscal policy.

The transition to a more balanced maturity structure should be made during periods of buoyant economic activity in line with the attaining of our basic objectives of low unemployment, price level stability, and growth.

The Commission recommends that the Treasury take measures to expand the proportion of the public debt in the form of savings bonds on terms which are competitive with yields of suitable alternative forms of investment for small savers.

The Commission does not favor so drastic a method as consolidation of the Treasury and the Federal Reserve as a means of coordinating debt management and monetary policy.

The Commission favors broadening the range of discretionary debt management authority exercised by the executive branch of the Federal Government. Specifically, it recommends the abolition of the debt limit, the elimination of the interest rate ceiling, and the same tax treatment for re-offerings as for outstanding securities.

The Commission recommends that the Treasury continue to experiment with the use of the advanced refunding technique. The Treasury should continue to experiment further with the use of the auction technique. Although the Commission does not favor broad authority over margins for the secondary market, it does recommend that minimum margins, such as now set by the New York Stock Exchange and the Comptroller of the Currency, be applied by various supervisory authorities to presently nonregulated lenders, including nonfinancial corporations.

Fiscal Policy

The Commission examined a variety of changes in the existing tax structure aimed at increasing its strength as an automatic stabilizer and came to the conclusion that no changes in the tax structure that would result in substantial gains for automatic stabilization are feasible.

The Commission believes that a strengthening of the existing degree of built-in stabilization would be desirable. This increase cannot be provided to any significant degree by changes in the structure of taxes or expenditures of the conventional sort. A promising approach that merits detailed investigation is formula flexibility by which changes in the first-bracket rate of the personal income tax would be made automatically in response to changes in appropriate economic indicators.

Discretionary fiscal policy requires speed of decision and effect and can only be successful if temporary and reversible fiscal changes for stabilization purposes are disassociated from permanent and structural changes. Techniques should be developed by which taxation and expenditure policies can be applied more flexibly, and the first step in this direction lies in a sharp demarcation between short-run cyclical changes and long-run structural changes.

Tax Adjustments

The tax structure and expenditure programs do change from time to time and must be changed periodically as the growth of the economy alters the tax revenue-expenditure relationship. The periodic reassessment of the relationship between tax revenues and expenditures is necessary, and an effective stabilizing fiscal policy calls for changes required by the reassessment to be timed to coincide with stabilization needs.

The Commission therefore concludes that when discretionary tax adjustments are used to promote short-run economic stabilization, they should consist of variations in the first-bracket rate of the personal income tax.

Stabilizing Tax Policy

One obstacle to stabilizing tax policy has been the failure to disassociate temporary and reversible changes for stabilization purposes from permanent and structural changes. It is the Commission's view that techniques must be developed by which tax policy can be applied more flexibly, and that the first step in this direction lies in the separation of short-term cyclical tax changes from long-run structural changes in the tax system.

Among various alternative taxes, the personal income tax lends itself best to countercyclical variation, and adjustments in the first-bracket rate are recommended as the best type of change.

In order to provide maximum flexibility for stabilizing tax changes, the Commission recommends that Congress grant to the President limited conditional power to make temporary countercyclical adjustments in the first-bracket rate of the personal

income tax, the grant to be accompanied by the following qualifications and safeguards:

(1) The power should be available for exercise only when the President has issued a statement that in his judgment economic conditions are running significantly counter to the objectives set forth in the Employment Act as amended in Chapter Ten of this report.

(2) The range of permissible adjustment should be limited to 5 percentage points upward or downward, that is, one-quarter of the present 20% rate.

(3) The duration of the adjustment should be limited to six months subject to renewal by the same process, unless Congress acts sooner by law to extend or supplant it.

(4) The exercise of the conditional power by the President should be subject to a legislative veto by a concurrent resolution of both houses of Congress before any tax adjustment takes effect, in accordance with the procedures made familiar by the recent Reorganization Acts. To this end the President should be required to lay before the Congress any proposal to adjust the tax rate, the proposal to lie there up to 30 days, unless a concurrent resolution of disapproval is sooner voted on and rejected, and to take effect only if no such resolution is adopted in that time. In the same law that authorizes the adjustment, the parliamentary rules of the two houses should be amended *ad hoc* in a manner to ensure that a concurrent resolution of disapproval may be introduced and voted upon within a 30-day period.

Expenditure Program

There should be more adequate planning for postponable projects; suitable expenditure programs should be enacted for a number of years so as to permit greater executive flexibility and timing.

For countercyclical expenditures, projects and programs should be initiated or expanded only if these expenditures are essential and useful and if the length of the project as well as its time pattern are appropriate. To combat a recession a high ratio of spending in the early period relative to subsequent periods would be favorable.

Changes in planning and budgeting techniques would also help to make expenditure policy more flexible. The possibility of advance appropriations for public works programs should be considered.

Efforts should be made to provide incentives for state and local governments to modify their public expenditure programs in a countercyclical direction.

A proper appraisal of the role of budget policy in economic stabilization requires that the Federal budget be presented in several different ways. The present conventional or administrative budget and the cash consolidated budget need to be supplemented by a budget as it will be reflected in the national economic accounts. Information should also be given which will show the impact of public expenditures on an order basis. Finally, the significance of changes in tax and expenditure policy should also be presented under the assumption of a high-employment level of income and reasonable stability of the price level.

Unemployment and Growth

The Commission recommends that when economic conditions are such that unemployment is at minimum levels and when growth may be accelerated merely by raising the supply of new investable funds through increased private saving or a larger government surplus used for debt retirement, primary reliance should be placed on increasing the government surplus rather than on the drastic change in the tax structure required to accomplish an equivalent result.

When economic conditions are such as to require a higher level of consumption, primary reliance should be placed on reducing the level of tax rates rather than on changes in the composition of the tax structure.

The Commission recommends that, in order to establish priorities and to conduct an efficient program, Congress should explore which expenditure programs are of particular importance to growth and enact a program of such capital expenditures on a five-year basis. The review of public capital formation must include the state and local level. Indeed, a comprehensive program for public capital expenditures cannot be developed without a fresh look at the appropriate division of responsibilities between the various levels of government and the interrelation of the revenue sources.

Technical progress has been a major source of economic growth in the past, and public policy has made a major contribution to the growth of research in the past decade. Vigorous policies to promote technical progress should be encouraged. At the same time programs need to be developed to share the costs of adjusting to technical change.

Looking ahead, high priority should be given to budgetary provision for basic research and the training of research talent. Such aid should be placed on a sustained basis, and it should play a key role in the government's contribution to higher education.

Private Institutions

The Commission's recommendations seek to reconcile partially conflicting objectives. One strand seeks to preserve and increase the safety of the financial system. The other seeks to provide greater flexibility for portfolio investment, increased mobility of funds, and increased alternatives for both savers and borrowers as means to stimulate economic growth. The Commission strongly believes that both objectives must be fulfilled simultaneously and stresses that the recommendations are interrelated.

The Commission recommends that the regulatory authorities be authorized to permit greater flexibility to savings banks and savings and loan associations to acquire a wider range of suitable long-term debt instruments. Commercial banks should be allowed the same flexibility in investing their time and savings deposits. Financial institutions should be permitted to change their investment practices but they would not be obliged to do so.

The Commission recommends that restrictions on financial institutions which prevent or impede lending over a wider geographical area than at present should be liberalized and that state laws restricting interstate lending, on sale and lease-backs and mortgages be eased to encourage the free flow of funds.

The Commission recommends that investment in equities continue to be restricted. However, commercial banks, in the investment of their savings and time deposits, savings banks, and savings and loan associations should all enjoy the least burdensome restriction available to any one of them.

The Commission recommends that Federal charters be made available for mutual savings banks.

Bank Branching

The Commission recommends:

(1) The provisions of the National Banking Act should be revised so as to enable national banks to establish branches within "trading areas" irrespective of state laws, and state laws should be revised to provide corresponding privileges to state-chartered banks.

(2) In exercising this power to grant branches, the chartering authority should adopt the following practices.

It should avoid undue concentration of the local market.

It should give new entrants a chance to compete even if their business must be partially bid away from existing competitors, and should place considerable reliance on the applicant's integrity, managerial competence, and his judgment in regard to the earning prospects of the new branch.

It should treat the applications for new branches on a par with new unit bank applications.

It should treat applications for new branches on nonlocal banks on a par with applications for new branches of local banks.

The Commission recommends that branching privileges recommended for national banks be made available to federally chartered mutual savings banks and savings and loan associations. State laws should be liberalized to conform.

Interest Rates

The Commission recommends continuation of the present prohibition of interest payments on demand deposits.

The Commission recommends that the present statutes authorizing regulation of interest rates on savings and time deposits for commercial banks be revised (1) to convert the present power into a stand-by authority rather than continuous regulation (2) to include under the appropriate regulatory authorities savings and time deposits and similar liabilities of savings banks and savings and loan associations, and (3) to permit differentiation among types of deposits, including those of U. S. residents and those of foreign residents. The Commission further recommends that these institutions should be subjected to maximum rates only when in the opinion of the appropriate authorities further interest rate competition for these deposits is deemed not in the public interest, and that when applied, consideration be given to maintaining appropriate but not necessarily identical interest rate maxima for competing institutions.

Prohibiting the payment of interest on demand deposits and permitting it on time and savings deposits requires a precise definition of each type of deposit if the difference in treatment is to be equitable. Regulation Q of the Federal Reserve Board defines demand deposits precisely. The definitions for time and savings deposits are less specific, and both are tending to become more and more like demand deposits.

The Commission recommends that Federal deposit insurance for all savings banks and savings and loan associations be available from the Federal Savings and Loan Insurance Corporation, and that state chartering authorities urge such participation.

Bank Income Tax

The Commission recommends that commercial banks, mutual savings banks and savings and loan associations be subjected to the Federal corporate income tax in such fashion as to contribute to capital and reserve adequacy and to ensure competitive equality (to the extent that the Federal tax is a competitive factor). The Commission also recommends that when reserves accumulated through special tax provisions are used for purposes not intended by this special treatment, they should be subjected, as now, to the full corporation tax rate.

The Commission recommends increased coordination of examining and supervisory authorities. At the Federal level there should be only one examining authority for commercial banks. The Comptroller of the Currency and his functions and the FDIC should be transferred to the Federal Reserve System. The Commission also recommends that there be a unified authority at the Federal level for the examination of all federally insured savings and loan associations and mutual savings banks. The activities and standards of these two Federal authorities should be coordinated with each other and with the respective state examining and supervisory authorities.

Review Needed

In view of the rapid postwar growth of financial institutions, however, the Commission recommends that Congress review the adequacy of existing legislation and that supervisory authorities review their existing regulations and examination procedures to ensure against any unwarranted personal benefits accruing to individuals responsible for handling institutional funds, which might be associated with or derived from the use or investment of the funds.

Pension Funds

The Commission recommends that an appropriate regulatory body should be given added responsibilities over private corporate pension funds. These responsibilities should include the power to devise and enforce appropriate standards in investment of the funds, to assure adequate periodic disclosure to beneficiaries of the financial statements of the fund, and to bring suit against malfeasors on behalf of the plan participants and their beneficiaries.

The Commission recommends that other states follow the practice of permitting "leeway" or "basket" clauses.

In order to avoid increasing complications of multiple state jurisdictions the Commission recommends that overriding Federal charters and regulation to encourage uniformity of high standards should be available to insurance companies.

Federal Credit Agencies

Federal credit programs designed to improve the allocative functioning of private credit markets and to stimulate greater enterprise and competition therein should be self-supporting. In general, loan insurance programs are preferable to programs that establish Federally sponsored lending agencies.

The Commission recommends the continuation of the Federal Housing Administration loan insurance programs to facilitate the flow of private funds into residential construction.

In order to ensure the continued availability of insured loans in all areas of the country, the Commission recommends that the voluntary home mortgage credit program and the certified agency program of the Federal Housing Administration be encouraged.

The Commission recommends that a limited self-supporting Federal insurance program be developed and administered by an established farm credit agency for mortgage loans featuring low down payments, long maturities, and not necessarily complete amortization. Such insurance should be available only under stringent conditions, perhaps such as (1) the farm unit should be large enough to take advantage of existing technology and provide a satisfactory level of family income under reasonably good management, and (2) adequate farm plans should be developed by the borrower.

The Commission recommends also a Federal loan insurance program for intermediate-term credit of three to ten years to help farmers finance the acquisition of the capital assets, other than real estate, required for an efficient farm unit.

Federal credit programs designed to alter the allocation of resources to achieve a public purpose, which even a perfectly functioning private market system would not attain, require a subsidy in the form of below-market interest rates or credit terms. The choice among types of credit programs should be made on the basis of which will be effective at the least cost and which will interfere least with the private financial system. Where it can be effective, a loan guarantee type of program should take preference over the direct lending type of program.

Direct Lending Programs

Since direct lending programs to achieve a particular allocation of resources resemble government expenditure programs, the amount of credit extended should be determined as a part of the budgetary process. However, merely because direct lending programs are credit rather than expenditure programs, the amount of credit extended should not be singled out as being either uniquely appropriate for countercyclical variation or uniquely insulated from such variation.

Credit programs established to increase the effectiveness of the private credit system should be designed to be sensitive to general monetary policy. Some programs, especially loan insurance programs, should at times be used to supplement and reinforce general monetary policy by variations in lending terms.

The Commission recommends that the FHA and VA underwriting programs be used to aid in implementing the countercyclical and price-stabilizing policies of the government by variations in the terms of the underwritten loans and by allowing contractual interest rates to rise and fall with conditions in the mortgage market.

The Commission recommends that the Federal Home Loan Bank System operate its programs in close harmony with the general stabilization policies of the government.

Interest Rate Ceilings

Where the funds for direct lending programs come partly from the Treasury and partly from private financial institutions participating in direct loans on a guaranteed basis, the interest rates on the private participations should be varied in response to the needs of general monetary policy. If the financing of direct lending programs requires the issue of securities in national capital markets, Treasury issues rather than fully guaranteed issues of government corporations should be employed.

Statutory or rigidly administered interest rate ceilings should not be employed in Federal credit programs which rely on the private financial system for loan funds.

The Commission believes that the harmful effects of the ceiling rates on underwriten mortgages outweigh their automatic contribution to economic stabilization and recommends that they be abolished.

The various interest rate ceilings or limitations that affect agricultural credit should also be removed.

Federal agencies to create and maintain secondary markets for financial instruments, such as mortgages, should buy and sell the instruments at market prices and should not attempt to control their prices.

Pending the development of more effective private secondary mortgage institutions, the Commission recommends that the secondary market operations of FNMA be continued and made more effective. The special assistance and market support programs of FNMA which are inconsistent with the dealer function should be operated in an entirely distinct and separate manner from

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the secondary market operations, preferably by a separate agency.

Balance of Payments

The Commission believes that the costs in terms of unemployment and lower growth would be so great from trying to correct our balance of payments deficit by general restrictive monetary and fiscal policies that alternative means must be sought to achieve the necessary balance.

The Commission believes that the present dollar price of gold should be retained as a central pivot in the exchange rates structure among IMF member countries and that any needed realignment of the structure should be around this pivot.

The Commission believes that the threat of a confidence crisis would be greatly reduced if it were generally recognized, both here and abroad, that all of the U. S. gold is available to meet our international obligations. Any doubts about the U. S. policy should be removed by elimination of the gold reserve requirement at the earliest convenient moment so that all of the U. S. gold stock is available for international settlements.

The United States should now seek multilateral arrangements to protect the world payments mechanism against exchange crises. This objective can be accomplished through greater cooperation with central banks of other industrial countries in handling short-term capital movements and through further evolutionary development of the International Monetary Fund. IMF resources should be increased so there is no doubt that they are adequate to meet the maximum foreseeable needs of its members consistent with their economic stability. This can be accomplished by further increases in member quotas and by formalizing the right of the IMF fund to borrow the currencies of countries in payment surplus.

Legislative Mandates

The Commission recommends that the Congress modernize and make consistent the legislative mandates which set our national economic goals in the two statutes that bear most directly on the field of the Commission's concern, namely, the Federal Reserve Act and the Employment Act of 1946. Identical language should be incorporated simultaneously in each to formulate the goals of a low level of unemployment, an adequate rate of economic growth and reasonable price stability as applicable to all Federal agencies administering economic programs.

The Commission recommends that *Economic Indictors* should be issued from the Executive Office of the President.

Employment Act

The Commission accordingly recommends that the Employment Act be amended to provide that whenever in the President's judgment the current economic situation, as revealed over a span of time in the indictors issued from his Executive Office, or on the basis of other information, running significantly counter to the objectives set forth in the Employment Act as amended, and at least quarterly thereafter for so long as the unfavorable tendency prevails, the President shall supplement his annual *Economic Report* with a statement setting forth:

(1) His understanding and assessment of the factors in the economy contributing to the unfavorable tendency;

(2) The steps being taken by him and by government agencies, including the Federal Reserve System, to use existing instruments and resources available for better achieving the goals of the Employment Act as amended;

(3) Explanations for any seemingly inconsistent use being made of any of these instruments;

(4) Recommendations for any Congressional action he deems advisable;

(5) Any other comments he deems appropriate.

The Commission therefore recommends that the Employment Act be also amended to provide that the Congress may, by concurrent resolution, request the President, if he has not already done so, to furnish such a statement, whenever it finds that the current economic situation reveals a tendency running significantly counter to the objectives set forth in the Employment Act as amended.

In sum, assuming the adoption of the changes already recommended in the Employment Act, the President will need to make suitable arrangements, congenial to him, for staff and interagency consultative machinery to assist him in discharging his expanded responsibilities. No statutory council should be created which has the effect of constricting his choice of advisers or formalizing their advice. The Commission recommends that he consider setting up a council along the lines of the Advisory Board on Economic Growth and Stability, under a chairman to be designated to him, and plan its work so that weekly meetings of department and agency deputies, supported by staff assistance from the Council of Economic Advisers, may culminate in periodic meetings of their chiefs in the presence of the President.

Advisory Council

To clear the way for this, the Bretton Woods Agreement Act of 1945 should be amended to enable the President to designate the chairman and membership of the National Advisory Council on International and Financial Problems (NAC) and to assign the responsibility for its staff support.

Accordingly, the Commission recommends that the Government Corporation Control Act of 1946 be amended so as to direct the Secretary of the Treasury, in the exercise of his clearance power over the issuance and sale of the securities of government-owned corporations, to take into account explicitly the full range of objectives of the Employment Act as amended, and not merely debt management considerations; and that cases of disagreement be taken to the President.

Commission Members and Their Background

The members of the Commission are:

Frazar B. Wilde, Chairman, Chairman, Connecticut General Life Insurance Company.

H. Christian Sonne, Vice-Chairman, New York, N. Y.

Adolf A. Berle, Jr., New York, N. Y. (Withdrew to become chairman of the U. S. State Department Task Force on Latin America)

James B. Black, Chairman of the Board, Pacific Gas & Electric Company

Joseph M. Dodge, Chairman of the Board, The Detroit Bank and Trust Company (Resigned Oct. 7, 1960)

Marriner S. Eccles, Chairman of the Board, First Security Corporation

Lamar Fleming, Jr., Chairman of the Board, Anderson, Clayton & Co.

Henry H. Fowler, Fowler, Leva, Hawes & Symington (Resigned Feb. 3, 1961, on his appointment as Under Secretary of the Treasury)

Gaylord A. Freeman, Jr., President, The First National Bank of Chicago

Fred T. Greene, President, Federal Home Loan Bank of Indianapolis (Died March 17, 1961)

Philip M. Klutznick, Park Forest, Illinois (Resigned Feb. 8, 1961 on his appointment as United States Representative to the United Nations Economic and Social Council)

Fred Lazarus, Jr., Chairman of the Board, Federated Department Stores, Inc.

Isador Lubin, Arthur T. Vanderbilt Professor of Public Affairs, Rutgers University

J. Irwin Miller, Chairman of the Board, Cummins Engine Co.

Robert R. Nathan, Robert R. Nathan Associates, Inc.

Emil Rieve, President Emeritus, Textile Workers of America, AFL-CIO

David Rockefeller, President, The Chase Manhattan Bank

Beardsley Ruml, New York, N. Y. (Died April 18, 1960)

Stanley H. Ruttenberg, Director, Department of Research, AFL-CIO

Charles Sawyer—Taft, Stettinius & Hollister

William F. Schnitzler, Secretary-Treasurer, AFL-CIO (Resigned April 28, 1960)

Earl B. Schwulst, President and Chairman of the Board, The Bowery Savings Bank

Charles B. Shuman, President, American Farm Bureau Federation

Jesse W. Tapp, Chairman of the Board, Bank of America, N.T. & S.A.

J. Cameron Thomson, Retired Chairman of the Board, Northwest Bancorporation

Willard L. Thorp, Director, Merrill Center for Economics, Amherst College

Theodore O. Yntema, Chairman, Finance Committee, Ford Motor Company

The Commission's director of research was Dr. Bertrand Fox, Edsel Bryant Ford Professor of Business Administration at the Harvard Graduate School of Business Administration. He was assisted by Dr. Eli Shapiro, Professor of Finance at the Massachusetts Institute of Technology.

Businessman's BOOKSHELF

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Grants, Loans, and Local Currencies — Their Role in Foreign Aid — Robert E. Asher — The Brookings Institution, 1775 Massachusetts Avenue, N. W., Washington 6, D. C. (paper), $1.50; (cloth), $2.50.

House of a Million Wonders — A Close Up of the Modern Public Library Showing How to Plan a Self Education Reading Program or Obtain Technical Matter to Help on the Job — Harold S. Sharp—Employee Relations, Inc., 19 West 34th Street, New York 1, N. Y. (paper), 25 cents.

How to Get the Most Out of Medical and Hospital Benefit Plans—Ruth and Edward Brecher —Prentice-Hall, Inc., Englewood Cliffs, N. J., $3.95.

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Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated steel operations (per cent capacity)	Aug. 6	62.2	63.6	66.0	55.1
Equivalent to—					
Steel ingots and castings (net tons)	Aug. 6	1,818,000	1,858,000	1,925,000	1,570,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	July 21	6,947,960	6,930,310	7,096,760	6,832,360
Crude runs to stills—daily average (bbls.)	July 21	8,284,000	8,167,000	7,865,000	8,204,000
Gasoline output (bbls.)	July 21	30,812,000	29,558,000	27,275,000	29,116,000
Kerosene output (bbls.)	July 21	2,795,000	2,184,000	2,276,000	2,759,000
Distillate fuel oil output (bbls.)	July 21	13,423,000	12,922,000	11,925,000	12,381,000
Residual fuel oil output (bbls.)	July 21	5,673,000	5,757,000	5,395,000	5,700,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	July 21	196,455,000	197,841,000	203,399,000	194,779,000
Kerosene (bbls.) at	July 21	30,720,000	30,284,000	29,580,000	29,533,000
Distillate fuel oil (bbls.) at	July 21	124,717,000	*121,380,000	105,956,000	123,920,000
Residual fuel oil (bbls.) at	July 21	49,859,000	48,647,000	46,091,000	43,488,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	July 22	584,137	573,306	600,001	619,818
Revenue freight received from connections (no. of cars)	July 22	467,062	420,340	493,285	479,124
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	July 27	$399,700,000	$509,500,000	$456,700,000	$365,500,000
Private construction	July 27	170,800,000	202,500,000	177,200,000	214,400,000
Public construction	July 27	228,900,000	307,000,000	279,500,000	151,100,000
State and municipal	July 27	195,300,000	220,800,000	230,800,000	132,100,000
Federal	July 27	33,600,000	86,200,000	48,700,000	19,000,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	July 22	7,785,000	7,440,000	9,065,000	7,964,000
Pennsylvania anthracite (tons)	July 22	371,000	347,000	382,000	404,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	July 22	122	123	127	120
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	July 29	16,107,000	15,829,000	15,183,000	15,157,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	July 27	319	343	326	293
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	July 24	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	July 24	$66.44	$66.44	$66.44	$66.41
Scrap steel (per gross ton)	July 24	$36.67	$36.67	$37.83	$31.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	July 26	30.600c	30.600c	30.600c	32.600c
Export refinery at	July 26	27.850c	27.725c	28.350c	30.550c
Lead (New York) at	July 26	11.000c	11.000c	11.000c	12.000c
Lead (St. Louis) at	July 28	10.800c	10.800c	10.800c	11.800c
‡Zinc (delivered) at	July 26	12.000c	12.000c	12.000c	13.500c
Zinc (East St. Louis) at	July 26	11.500c	11.500c	11.500c	13.000c
Aluminum (primary pig, 99.5%) at	July 26	26.000c	26.000c	26.000c	26.000c
Straits tin (New York) at	July 26	115.625c	115.250c	119.500c	104.750c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Aug. 1	87.19	87.56	87.42	88.88
Average corporate	Aug. 1	85.85	86.11	86.65	86.38
Aaa	Aug. 1	89.51	90.06	90.63	90.91
Aa	Aug. 1	88.13	88.27	88.95	88.81
A	Aug. 1	85.20	85.33	85.98	85.98
Baa	Aug. 1	80.81	81.05	81.54	80.45
Railroad Group	Aug. 1	83.28	83.53	84.17	84.04
Public Utilities Group	Aug. 1	86.78	87.32	88.13	86.91
Industrials Group	Aug. 1	87.45	87.45	87.72	88.27
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Aug 1	3.93	3.89	3.90	3.64
Average corporate	Aug. 1	4.72	4.70	4.66	4.68
Aaa	Aug. 1	4.45	4.41	4.37	4.35
Aa	Aug. 1	4.55	4.54	4.49	4.50
A	Aug. 1	4.77	4.76	4.71	4.71
Baa	Aug. 1	5.12	5.10	5.06	5.15
Railroad Group	Aug. 1	4.92	4.90	4.85	4.86
Public Utilities Group	Aug. 1	4.65	4.61	4.55	4.64
Industrials Group	Aug. 1	4.60	4.60	4.58	4.54
MOODY'S COMMODITY INDEX	Aug. 1	374.1	373.1	371.5	370.8
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	July 22	310,025	274,741	338,921	316,273
Production (tons)	July 22	308,751	245,221	336,864	310,052
Percentage of activity	July 22	91	73	95	91
Unfilled orders (tons) at end of period	July 22	480,165	478,595	451,761	464,279
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	July 28	114.32	113.91	113.63	109.55
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	July 7	1,818,110	2,086,750	3,109,370	1,890,930
Short sales	July 7	325,500	312,890	485,410	356,720
Other sales	July 7	1,670,430	1,690,170	2,547,980	1,450,800
Total sales	July 1	1,995,930	2,003,060	3,033,390	1,807,520
Other transactions initiated off the floor—					
Total purchases	July 7	233,050	218,140	488,280	278,700
Short sales	July 7	4,100	14,100	42,600	26,800
Other sales	July 7	206,620	249,530	440,210	223,960
Total sales	July 7	210,720	258,630	482,810	250,760
Other transactions initiated on the floor—					
Total purchases	July 7	549,940	650,490	982,652	539,520
Short sales	July 7	123,170	112,850	120,230	85,280
Other sales	July 7	580,392	588,489	831,896	594,935
Total sales	July 7	703,562	701,339	952,126	680,215
Total round-lot transactions for account of members—					
Total purchases	July 7	2,601,100	2,955,380	4,580,302	2,709,150
Short sales	July 7	452,770	439,840	648,240	468,800
Other sales	July 7	2,457,442	2,523,189	3,820,086	2,269,695
Total sales	July 7	2,910,212	2,963,029	4,468,326	2,738,495
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	July 7	1,448,269	1,464,249	2,026,451	1,367,483
Dollar value	July 7	$76,585,660	$75,586,252	$113,739,038	$67,487,754
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers total sales	July 7	1,178,491	1,370,685	2,104,429	1,328,035
Customers' short sales	July 7	5,390	10,647	8,387	5,358
Customers' other sales	July 7	1,173,101	1,360,038	2,096,042	1,322,677
Dollar value	July 7	$59,301,331	$68,634,032	$108,594,583	$61,799,383
Round-lot sales by dealers—					
Number of shares—Total sales	July 7	279,930	417,060	664,650	391,470
Short sales	July 7	------	------	------	------
Other sales	July 7	279,930	417,060	664,650	391,470
Round-lot purchases by dealers—Number of shares	July 1	547,900	484,430	575,920	486,940
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	July 7	543,900	548,120	754,840	525,270
Other sales	July 7	11,843,730	13,540,480	19,592,830	11,703,490
Total sales	July 7	12,387,630	14,088,600	20,347,670	12,228,760
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	July 25	118.6	118.5	118.8	119.5
Farm products	July 25	86.7	86.2	86.4	88.0
Processed foods	July 25	107.2	107.0	107.5	107.5
Meats	July 25	92.2	91.6	91.7	96.4
All commodities other than farm and foods	July 25	127.5	127.5	127.7	128.3

*Revised figure. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
ALUMINUM (BUREAU OF MINES):			
Production of primary aluminum in the U. S. (in short tons)—Month of May	157,543	144,637	175,863
Stocks of aluminum (short tons) end of May	252,864	266,389	148,571
AMERICAN RAILWAY CAR INSTITUTE— Month of June:			
Orders for new freight cars	1,214	3,666	321
New freight cars delivered	3,142	3,360	6,042
Backlog of cars on order and undelivered (end of month)	11,821	13,964	29,555
BUSINESS FAILURES—DUN & BRADSTREET INC.—Month of June:			
Manufacturing number	218	269	228
Wholesale number	144	167	110
Retail number	696	731	680
Construction number	222	265	213
Commercial service number	123	123	103
Total number	1,403	1,545	1,334
Manufacturing liabilities	$26,590,000	$18,944,000	$41,111,000
Wholesale liabilities	8,784,000	10,791,000	15,632,000
Retail liabilities	27,192,000	24,776,000	28,497,000
Construction liabilities	12,500,000	19,162,000	18,613,000
Commercial service liabilities	8,762,000	6,798,000	22,597,000
Total liabilities	$83,828,000	$80,471,000	$126,450,000
CASH DIVIDENDS—PUBLICLY REPORTED BY U. S. CORPORATIONS—U. S. DEPT. OF COMMERCE—Month of June: (000's omitted)	$1,986,300	$367,900	$1,948,300
COMMERCIAL PAPER OUTSTANDING—FEDERAL RESERVE BANK OF NEW YORK— As of June 30 (000's omitted)	$1,460,000	*$1,478,000	*$1,115,000
COTTON AND LINTERS — DEPARTMENT OF COMMERCE—RUNNING BALES:			
Consumed month of June	824,144	667,705	860,363
In consuming establishments as of July 1	1,962,119	2,064,523	1,594,565
In public storage as of July 1	5,459,677	6,379,367	6,681,062
Linters—Consumed month of June	126,494	103,944	128,669
Stocks—July 1	506,012	593,616	503,014
Cotton spindles active as of July 1	17,297,000	17,346,000	17,604,000
COTTON SEED AND COTTON SEED PRODUCTS—DEPT. OF COMMERCE—Month of May:			
Cotton Seed—			
Received at mills (tons)	11,600	19,400	10,400
Crushed (tons)	175,900	292,500	176,600
Stocks (tons) June 30	230,700	395,000	191,100
Cake and Meal—			
Stocks (tons) June 30	196,900	245,500	202,800
Produced (tons)	85,000	138,100	83,000
Shipped (tons)	133,600	163,100	84,700
Hulls—			
Stocks (tons) June 30	110,200	119,200	35,500
Produced (tons)	43,200	67,500	39,800
Shipped (tons)	52,200	69,200	48,200
Linters—			
Stocks (bales) June 30	170,900	199,600	113,400
Produced (bales)	49,600	83,500	52,300
Shipped (bales)	78,300	110,300	70,800
COTTON SPINNING (DEPT. OF COMMERCE):			
Spinning spindles in place on July 1	19,697,000	19,008,000	20,004,000
Spinning spindles active on July 1	17,297,000	17,346,000	17,604,000
Active spindle hours (000's omitted) July 1	10,263,000	8,514,000	10,737,000
Active spindle hrs. for spindles in place June	410.5	------	429.5
EMPLOYMENT AND PAYROLLS—U. S. DEPT. OF LABOR REVISED SERIES—Month of June:			
All manufacturing (production workers)	11,846,000	*11,636,000	12,332,000
Durable goods	6,695,000	*6,585,000	7,056,000
Nondurable goods	5,151,000	*5,051,000	5,276,000
Employment indexes (1947-49 avgs.=100)—			
All manufacturing	95.8	*94.1	99.7
Payroll indexes (1947-49 avge.=100)—			
All manufacturing	170.5	*165.1	172.5
Estimated number of employees in manufacturing industries—			
All manufacturing	15,952,000	*15,713,000	16,422,000
Durable goods	9,152,000	*9,028,000	9,504,000
Non-durable goods	6,800,000	*6,685,000	6,918,000
LIFE INSURANCE BENEFIT PAYMENTS TO POLICYHOLDERS — INSTITUTE OF LIFE INSURANCE—Month of May:			
Death benefits	$316,800,000	$272,600,000	$285,600,000
Matured endowments	60,600,000	56,400,000	57,700,000
Disability payments	11,100,000	10,800,000	10,200,000
Annuity payments	62,900,000	61,000,000	60,100,000
Surrender values	161,400,000	154,000,000	139,000,000
Policy dividends	128,800,000	126,900,000	120,900,000
Total	$741,600,000	$681,700,000	$673,500,000
LIFE INSURANCE PURCHASES — INSTITUTE OF LIFE INSURANCE — Month of May (000's omitted):			
Ordinary	$4,764,000	*$4,455,000	$4,560,000
Industrial	677,000	*592,000	*676,000
Group	1,154,000	*1,250,000	*1,117,000
Total	$6,595,000	*$6,297,000	*$6,353,000
MONEY IN CIRCULATION—TREASURY DEPT. As of May 31 (000's omitted)	$32,200,000	$31,800,000	$31,900,000
NEW YORK STOCK EXCHANGE As of June 30 (000's omitted):			
Member firms carrying margin accounts—			
Total customers' net debit balances	$4,066,000	*$4,100,000	$3,188,000
Credit extended to customers	51,000	40,000	106,000
Cash on hand and in banks in U. S.	415,000	453,000	366,000
Total of customers' free credit balances	1,280,000	1,453,000	1,016,000
Market value of listed bonds	109,297,021	110,426,853	106,876,435
Market value of listed shares	348,858,603	358,862,078	298,142,880
Member borrowings on U. S. Govt. issues	432,000	424,000	595,000
Member borrowings on other collateral	2,924,000	2,680,000	2,285,000
NONFARM REAL ESTATE FORECLOSURES—FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION—Month of March	6,272	5,096	4,145
PRICES RECEIVED BY FARMERS — INDEX NUMBER — U. S. DEPT. OF AGRICULTURE—1910-1914=100—As of June 15:			
All farm products	234	236	235
Crops	231	230	221
Commercial vegetables, fresh	253	233	220
Cotton	261	250	250
Feed, grain and hay	152	151	158
Food grains	200	203	199
Fruit	260	261	238
Oil-bearing crops	261	285	216
Potatoes	177	176	209
Tobacco	516	517	494
Livestock	236	241	248
Dairy products	240	241	235
Meat animals	286	292	303
Poultry and eggs	131	139	149
Wool	238	239	248
UNITED STATES EXPORTS AND IMPORTS BUREAU OF CENSUS — Month of May (000's omitted):			
Exports	$1,743,800	$1,705,500	$1,803,800
Imports	1,194,500	1,041,900	1,261,800

NOTE—Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

A.G.E. Funds, Inc.
June 30, 1961 filed 200 co-ownership participations in the company's 1961 exploration and development fund H. **Price**—$5,000 per unit. **Proceeds**—To evaluate, acquire and develop oil and gas leaseholds. **Office**—120 South La Salle Street, Chicago, Ill. **Underwriter**—None.

A. T. U. Productions, Inc.
June 1, 1961 ("Reg. A.") 100,000 shares of common stock (par 10 cents). **Price**—$3. **Business**—TV film productions. **Proceeds**—For general corporate purposes. **Office**—130 W. 57th Street, New York, N. Y. **Underwriter**—Marshall Co., New York.

Abbey Automation Systems, Inc.
June 6, 1961 filed 100,000 common shares. **Price** — $3. **Business**—The design, manufacture and sale of automation equipment for industry. **Proceeds**—For new facilities, sales program, demonstration laboratory and working capital. **Office**—37-05 48th Avenue, Long Island City, N. Y. **Underwriter**—John Joshua & Co., Inc., New York.

★ **Abby Vending Manufacturing Corp.**
July 26, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The manufacture of coin operated vending machines. **Proceeds**—For moving expenses, an acquisition and working capital. **Office**—79 Clifton Place, Brooklyn, N. Y. **Underwriter** — L. H. Wright & Co., Inc., 135 Broadway, New York.

Accesso Corp.
Jan. 30, 1961 filed 40,000 shares of common stock and 40,000 shares of preferred stock (par $10) to be offered for public sale in units consisting of one share of common and one share of preferred stock. **Price**—$15 per unit. **Business**—The company is engaged in the design, manufacture and sale of fluorescent lighting systems, acoustical tile hangers, metal tiles and other types of acoustical ceiling systems. **Proceeds**—For the repayment of loans and general corporate purposes. **Office** — 3425 Bagley Avenue, Seattle, Wash. **Underwriter** — Ralph B. Leonard & Sons, Inc., New York City (managing).

Acro Electronic Products Co.
July 17, 1961 filed 100,000 class A common shares. **Price**—$4. **Business** — The manufacture of transformers for electronic and electrical equipment. **Proceeds**—For relocating to and equipping a new plant, purchase of inventory, research and development, advertising, promotion and merchandising, repayment of debt and other corporate purposes. **Office**—369 Shurs Lane, Philadelphia. **Underwriter**—Roth & Co., Inc., Philadelphia.

A-Drive Auto Leasing System, Inc. (9/11)
Jan. 19, 1961 filed 100,000 shares of class A stock, of which 75,000 are to be offered for public sale by the company and 25,000 shares, being outstanding stock, by the present holders thereof. **Price**—$10 per share. **Business**—The company is engaged in the business of leasing automobiles and trucks for periods of over one year. **Proceeds**—To repay loans; open new offices in Philadelphia, Pa., and New Haven, Conn.; lease and equip a large garage in New York City and lease additional trucks. **Office**—1616 Northern Boulevard, Manhasset, N. Y. **Underwriter**—Hill, Darlington & Grimm, New York City (managing).

Admiral Photo Corp.
June 20, 1961 ("Reg. A") 60,000 common shares (par 10 cents) of which 54,000 are to be offered by the company and 6,000 by the underwirter. **Price**—$5. **Proceeds**—For furniture, fixtures and equipment and repayment of debt. **Office**—1407 Broadway, New York. **Underwriter**—D. Klapper Associates, Inc., New York.

★ **Admiral Plastics Corp.**
July 27, 1961 filed 340,000 common shares, of which 20,000 shares are to be offered by the company and 320,000 shares by the stockholders. **Price**—By amendment. **Business**—The manufacture of plastic houseware products. **Proceeds**—For a new warehouse, repayment of debt and other corporate purposes. **Office** — 557 Wortman Ave., Brooklyn, N. Y. **Underwriter**—Shearson, Hammill & Co., New York (managing).

Advanced Electronics Corp.
May 31, 1961 ("Reg. A") 150,000 class A shares (par 10 cents). **Price**—$2. **Business**—Designs and manufactures radio telemetry systems, frequency filters and power supplies for the missile, rocket and space programs. **Proceeds**—For research and development, equipment, repayment of loans and working capital. **Office**—2 Commercial St., Hicksville, N. Y. **Underwriter** — Edward Hindley & Co., New York City.

Advanced Investment Management Corp.
July 11, 1961 ("Reg. A") 100,000 common shares (par 25 cents). **Price**—$3. **Proceeds**—For purchase of furniture, reserves and working capital. **Office** — No. 15 Village Shopping Center, Little Rock, Ark. **Underwriter**—Affiliated Underwriters, Inc., 1321 Lincoln Avenue, Little Rock, Ark.

Advanced Scientific Instruments, Inc. (8/15)
May 19, 1961 filed 875,000 shares of common stock. **Price**—$1.15 per share. **Business**—The company was formed in March, 1961 to engage in the development, manufacture, sale and lease of electronic, electro-mechanical and electro-optical equipment. **Proceeds** — For equipment, developmental work and working capital. **Office**—1208 Title Insurance Building, Minneapolis, Minn. **Underwriter**—Naftalin & Co., Minneapolis.

Aero Fidelity Acceptance Corp.
July 11, 1961 ("Reg. A") 100,000 common shares (par five cents). **Price**—$3. **Proceeds**—For repayment of loans, purchase of notes and equipment. **Office** — 185 Walton Avenue, N. W., Atlanta, Ga. **Underwriter**—Best & Garey Co., Inc., Washington, D. C.

Aero Space Electronics, Inc.
July 17, 1961 ("Reg. A") 80,000 capital shares (par 10 cents). **Price**—$3. **Proceeds**—For repayment of debt and working capital. **Office**—2036 Broadway, Santa Monica, Calif. **Underwriter**—Hamilton Waters & Co., Inc., Hempstead, N. Y.

★ **Aidiation Electronics Co., Inc.**
July 26, 1961 ("Reg. A") 268,500 common shares (par five cents). **Price**—$1. **Business**—The manufacture of electronic systems and teaching machines. **Proceeds**—For a plant and equipment, research and development, inventory and working capital. **Office**—7 Clinton Place, Utica, N. Y. **Underwriter**—None.

Aileen Inc.
June 27, 1961 filed 200,000 outstanding common shares. **Price**—By amendment. **Proceeds**—For the selling stockholders. **Office**—29 W. 38th St., New York City. **Underwriter**—Goodbody & Co., New York.

Ainslie Corp.
June 29, 1961 ("Reg. A") 75,000 common shares (par $1). **Price**—$4. **Proceeds**—For purchase of equipment, repayment of debt and working capital. **Office**—531 Pond St., Braintree, Mass. **Underwriter** — First Weber Securities Corp., Boston, Mass.

★ **Airbalance, Inc.**
July 17, 1961 ("Reg. A") 60,000 common shares (par five cents). **Price** — $5. **Office** — 2046 E. Lehigh Ave., Philadelphia. **Underwriter**—A. Sussel Co., 1033 Chestnut St., Philadelphia.

Air Master Corp. (8/9)
May 26, 1961 filed 200,000 shares of class A common stock, of which 50,000 shares are to be offered for public sale by the company and 150,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The manufacture and sale of aluminum storm windows and doors, and other aluminum products. **Proceeds**—For working capital, and other corporate purposes. **Office**—20th Street, and Allegheny Avenue, Philadelphia, Pa. **Underwriter**—Francis I. du Pont & Co., New York City (managing).

Airtronics International Corp. of Florida
June 29, 1961 filed 199,000 common shares of which 110,000 shares are to be offered by the company and 89,000 shares by stockholders. **Price**—By amendment. **Business** — The manufacture of electronic, mechanical and components. **Proceeds**—For repayment of loans, ex- and electro-mechanical rocket and missile system parts pansion and working capital. **Office**—6900 West Road 84, Fort Lauderdale, Fla. **Underwriters** — Stein Bros. & Boyce, Baltimore & Vickers, MacPherson & Warwick, Inc. (managing). **Offering**—Expected in late August.

★ **Aksman (A. J.) & Co., Inc.**
July 28, 1961 ("Reg. A") 80,000 common shares (par 10 cents). **Price**—$3. **Business**—A mechanical contractor in design and installation of heating, ventilating and air conditioning systems. **Proceeds**—For moving, purchase of machinery and equipment, inventory, repayment of loans and working capital. **Office**—1425 Utica Avenue, Brooklyn 3, N. Y. **Underwriters**—Rothenberg, Heller & Co., Inc. and Carroll Co., New York.

Alaska Honolulu Co.
July 24, 1961 filed 1,600,000 common shares and oil leases on 400,000 acres to be offered in 625 units each consisting of 640 acres and 2,560 shares. **Price**—$2,560 per unit. **Business**—The exploration and development of oil and gas properties in Alaska. **Proceeds**—For general corporate purposes. **Office**—120 S. Third St., Las Vegas, Nev. **Underwriter**—None.

Alix of Miami, Inc.
June 8, 1961 filed 100,000 class A common shares, of which 70,000 are to be offered by the company and 30,000 by stockholders. **Price**—$9. **Business**—Manufacturers of women's wear. **Proceeds**—For working capital. **Office**—2700 N. W. 5th Ave., Miami, Fla. **Underwriter**—Clayton Securities Corp., Boston (managing).

All Star World Wide, Inc.
July 7, 1961 filed $250,000 of 5% convertible subordinated debentures due 1971 and 150,000 common shares. **Price**—For debentures, at par; for stock, $5. **Business**—The operation of bowling centers. **Proceeds**—For expansion and general corporate purposes. **Office** — 100 W. Tenth St., Wilmington, Del. **Underwriters**—Alessandrini & Co., Inc. and Hardy & Hardy, New York (managing).

Allstate Bowling Centers, Inc.
May 19, 1961 filed 300,000 shares of capital stock, of which 200,000 shares will be sold for the account of the company and 100,000 shares for All-State Properties, Inc., parent. The stock will be offered for subscription by holders of All-State Properties on the basis of one share for each nine shares held. **Price**—$10. **Business**—The construction and operation of bowling centers in several states. **Proceeds** — For expansion and working capital. **Office**—30 Verbena Avenue, Floral Park, N. Y. **Underwriter**—Bear, Stearns & Co., New York City.

• **Almar Rainwear Corp. (8/14-18)**
April 28, 1961 filed 120,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The manufacture and sale of plastic film raincoats and related items for men, women and children. **Proceeds**—For inventory, taxes, accrued sales commissions and working capital. **Office**—Washington, Ga. **Underwriter**—D. H. Blair & Co., New York City (managing).

★ **Alpine Geophysical Associates, Inc.**
July 28, 1961 filed 150,000 common shares. **Price** — By amendment. **Business** — The conducting of marine and land geophysical surveys for petroleum and mining exploration and engineering projects, and the manufacture of oceanographic and geophysical apparatus. **Proceeds**—

Canandaigua Enterprises Units Sold

S. D. Fuller & Co., is manager of an underwriting group which is offering in units, $4,000,000 of 7% sinking fund debentures, due 1976, and 240,000 shares of class A stock, (1c par value) of Canandaigua Enterprises Corp. Each unit, consisting of $500 principal amount of debentures and 30 shares of class A stock, is offered at $556.10, plus accrued interest on the debentures.

The debentures are convertible, unless previously redeemed, into class A stock on or before May 10, 1966 at $8 per share until July 1, 1964, and thereafter at $10 per share until May 10, 1966, subject to adjustments in certain events. Components of the units are transferable separately from date of issue.

Net proceeds from the financing, together with other funds, will be used by the company to defray land, building, equipment and architect's costs in connection with constructing a race track as well as for working capital purposes.

The company of 26 Broadway, New York City, has acquired a substantial stock interest in Finger Lakes Racing Association, Inc., which has the franchise to conduct thoroughbred horse race meetings on a 490 acre site approved by the N. Y. State Racing Commission near the city of Canandaigua in the Finger Lakes region of New York State. On this site, the company has under construction a race track, which, upon completion, will be operated by the Association under lease from the company. The company expects the Association's first racing reason to begin September 1961. The opening may be deferred if an operable race track approved by the State Racing Commission is not completed on time.

Canadaigua Enterprises intends to engage in the initiation, promotion or acquisition of other recreation facilities and ventures, depending upon the success of this initial venture. Plans also call for the construction and operation of hotels, motels or restaurants located at or near the recreational facilities constructed, owned or operated by the company.

The debentures are redeemable at optional redemption prices ranging from 107% to par, and at sinking fund redemption prices beginning July 1, 1966 at par, in each case with accrued interest.

Upon completion of current financing, outstanding capitalization of the company will consist of $4,000,000 of sinking fund debentures due 1976; 498,150 shares of class A and 445,101 shares of class B capital stock; and 60,000 warrants to purchase class A stock.

New Hardy Branch

ROCHESTER, N. Y.—Hardy & Co. has opened a branch office at 17 South Clinton Avenue under the direction of Charles C. Dunphrey.

Securities Now in Registration

★ **INDICATES ADDITIONS SINCE PREVIOUS ISSUE**
● **ITEMS REVISED**

Continued from preceding page

For repayment of debt and general corporate purposes. **Office**—55 Oak St., Norwood, N. J. **Underwriter**—S. D. Fuller & Co., New York (managing).

Amcrete Corp.
May 4, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business** — The sale of pre-cast and pre-stressed concrete panels for swimming pools and pumps, filters, ladders, etc. **Proceeds**—For building test pools; advertising, inventory and working capital. **Office**—102 Mamaroneck Avenue, Mamaroneck, N. Y. **Underwriter**—Alexandria Investments & Securities, Inc., Washington, D. C.

● **Amerford International Corp.**
June 28, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price**—$3.50. **Business**—International air and ocean freight forwarding. **Proceeds**—For expansion, advertising and working capital. **Office**—80 Wall St., New York. **Underwriters** — V. S. Wickett & Co., Inc., and Thomas, Williams & Lee, Inc., New York.

● **American Electronic Laboratories, Inc. (8/14)**
May 26, 1961 filed 10,632 shares of class A common stock to be offered for subscription by stockholders at the rate of one new share for each 10 shares held. **Price** —To be supplied by amendment. **Business**—The company is engaged in research and development in the field of electronic communication equipment. **Proceeds**—For construction, new equipment, and other corporate purposes. **Office**—121 North Seventh Street, Philadelphia. **Underwriter**—Suplee, Yeatman, Mosley Co., Inc., Philadelphia, Pa.

American Finance Co., Inc.
April 21, 1961 filed $500,000 of 6% convertible subordinated debentures due 1971; 75,000 shares of common stock, and 25,000 common stock purchase warrants to be offered for public sale in units consisting of one $200 debenture, 30 common shares and 10 warrants. **Price**—$500 per unit. **Business**—The company and its subsidiaries are primarily engaged in the automobile sale finance business. One additional subsidiary is a Maryland savings and loan association and two are automobile insurance brokers. **Proceeds**—For the retirement of debentures, and capital funds. **Office** — 1472 Broadway, New York City. **Underwriter**—Lomasney, Loving & Co., New York City. **Offering**—Expected in September.

American Mortgage Investment Corp.
April 29, 1960 filed $1,800,000 4% 20-yr. collateral trust bonds and 1,566,000 shares of class A non-voting common stock. It is proposed that these securities will be offered for public sale in units (2,000) known as Investment Certificates, each representing $900 of bonds and 783 shares of stock. Price—$1,800 per unit. Proceeds —To be used principally to originate mortgage loans and carry them until market conditions are favorable for disposition. Office — 210 Center St., Little Rock, Ark. Underwriter—Amico. Inc. **Offering**—In late August.

American Orbitronics Corp.
June 1, 1961 ("Reg. A") 100,000 common shares (par one cent). **Price**—$3. **Proceeds**—For raw material, machinery, and working capital. **Office**—1730 K St., N. W., Suite 309, Washington, D. C. **Underwriter**—H. P. Black & Co., Washington, D. C.

American Packing Co.
June 29, 1961 filed 150,000 common shares. **Price**—$4.50. **Business**—The processing and sale of canned salmon. **Proceeds**—For general corporate purposes. **Office**—303 N. E. Northlake Way, Seattle. **Underwriter** — Joseph Nadler & Co., Inc., New York (managing).

American Realty Trust
July 25, 1961 filed 500,000 shares of beneficial interests. **Price**—$10. **Business**—A real estate investment company. **Office**—608 Thirteenth St., N. W., Washington, D. C. **Underwriter**—Stifel, Nicolaus & Co., Inc., St. Louis.

American Recreation Centers, Inc.
June 26, 1961 filed $1,250,000 of series A convertible subordinated debentures due 1973. **Price**—By amendment. **Business**—The operation of seven bowling centers. **Proceeds**—For repayment of loans, working capital and general corporate purposes. **Office** — 1721 Eastern Ave., Sacramento, Calif. **Underwriter** — York & Co., San Francisco (managing).

American Sports Plan, Inc.
June 29, 1961 filed 200,000 common shares. **Price**—$6. **Business**—The operation of bowling centers. **Proceeds** —For expansion. **Office**—473 Winter Street, Waltham, Mass. **Underwriter**—None.

● **American Univend Corp. (8/14)**
May 29, 1961 filed 100,000 common shares. **Price** — By amendment. **Business**—The leasing of vending machines and the sale of merchandise for distribution therein. **Proceeds**—For the repayment of debt, purchase of additional machines, and other corporate purposes. **Office**—120 E. 56th St., New York. **Underwriter**—Robert A. Martin Associates, Inc., New York.

Amerline Corp.
July 3, 1961 filed 150,000 outstanding class A common shares. **Price**—By amendment. **Business**—The manufacture of components and products for sale to manufacturers of magnetic tape, electronic computers, data processing machines, etc. **Proceeds**—For selling stockholders. **Office**—2727 W. Chicago Ave., Chicago. **Underwriter**—Dean Witter & Co., San Francisco (managing).

Amphicar Corp. of America
June 15, 1961 filed 100,000 common shares. **Price**—$5. **Business**—The manufacture of amphibious automobiles. **Proceeds**—To establish a parts depot in Newark, N. J., set up sales and service organizations, and for working capital and general corporate purposes. **Office**—660 Madison Avenue, New York. **Underwriter** — Herbert Edmond & Co., Inc., 115 Broadway, New York.

Anderson New England Capital Corp.
July 21, 1961 filed 400,000 common shares. **Price** — By amendment. **Business** — A small business investment company. **Proceeds**—For investment. **Office**—150 Causeway Street, Boston. **Underwriter**—Putnam & Co., Hartford, Conn. (managing).

Animal Insurance Co. of America
June 29, 1961 filed 40,000 common shares. **Price**—$15.50. **Business** — The insuring of animals, primarily race horses, trotters and pacers. **Proceeds**—For expansion and general corporate purposes. **Office**—92 Liberty St., New York. **Underwriter**—Bernard M. Kahn & Co., Inc., New York (managing).

Anodyne, Inc.
June 20, 1961 filed $625,000 of 5% convertible subordinated debentures, 156,250 common shares reserved for issuance on conversion of the debentures and 5-year warrants to purchase 125,000 common shares to be offered in 6,250 units, each consisting of $100 of debentures and warrants to purchase 20 shares. The units will be offered for subscription by common stockholders on the basis of one unit for each 100 common shares held. **Price** — $100 per unit. **Proceeds** — For expansion and working capital. **Office**—1270 N. W. 165th St., North Miami Beach, Fla. **Underwriters**—Ross, Lyon & Co., Inc., and Globus, Inc., New York.

● **Apache Corp. (9/1)**
May 29, 1961 filed $750,000 of participating units in the Apache Canadian Gas & Oil Program 1961 to be offered for public sale in 100 units. **Price**—$7,500 per unit. **Business**—The acquisition, holding, testing, developing and operating of gas and oil leaseholds. **Proceeds**—For general corporate purposes. **Office**—523 Marquette Ave., Minneapolis. **Underwriter**—APA, Inc., Minneapolis.

● **Apache Corp. (9/1)**
March 31, 1961 filed 300 units in the Apache Gas and Oil Program 1962. **Price**—$15,000 per unit. **Business**—The acquisition, holding, testing, developing and operating of gas and oil leaseholds. **Proceeds**—For general corporate purposes. **Office**—523 Marquette Ave., Minneapolis, Minn. **Underwriter** — The company and its subsidiary, APA, Inc., will act as underwriters for the Program.

● **Apache Realty Corp. (9/1)**
March 31, 1961 filed 1,000 units in the First Apache Realty Program. **Price**—$5,000 per unit. **Business**—The Program plans to engage in the real estate business, with emphasis on the acquisition, development and operation of shopping centers, office buildings and industrial properties. **Proceeds** — For investment. **Office** — 523 Marquette Ave., Minneapolis, Minn. **Underwriter**—Blunt Ellis & Simmons, Chicago (managing).

● **Applied Research Inc. (8/28)**
June 23, 1961 filed 120,000 common shares, of which 60,000 shares are to be offered by the company and 60,000 shares by stockholders. **Price**—$6.50. **Business**—Manufacture of devices used in connection with space and earth communications, radio frequency analysis, missiles and satellites and radar and telemetry systems. **Proceeds** —For leasehold improvements, equipment and general corporate purposes. **Office**—76 S. Bayles Avenue, Port Washington, N. Y. **Underwriters**—Cruttenden, Podesta & Co., Chicago and Spear, Leeds & Kellogg, New York.

● **Aqua-Lectric, Inc.**
June 19, 1961 filed 1,000,000 common shares. **Price**—$1.15. **Business**—The marketing of an electric hot water heating system. **Proceeds**—For inventory, salaries, advertising and promotion, and working capital. **Office**—1608 First National Bank Building, Minneapolis. **Underwriter**—M. H. Bishop & Co., Minneapolis. **Offering**—Expected in late September.

Arcs Industries, Inc.
May 19, 1961 filed $1,630,000 of 6 convertible subordinated debentures due 1971, being offered for subscription by common stockholders on the basis of $500 of debentures for each 100 shares held of record July 26, with rights to expire Aug. 8. **Price**—At par. **Business**—The manufacture of electronic, electrical and electromechanical devices for use in the missile and computer fields. **Proceeds**—To repay loans, purchase a building, and for working capital. **Office** — 755 Park Avenue, Huntington Station, L. I., N. Y. **Underwriter**—Lomasney, Loving & Co., New York City (managing).

● **Arizona Color Film Processing Laboratories, Inc. (8/21)**
March 23, 1961 filed 2,100,500 shares of common stock to be offered for subscription by common stockholders on the basis of one new share for each share held. **Price** —22 cents per share. **Business**—The processing of black and white and color film. **Proceeds**—To repay loans and for working capital. **Office**—2 North 30th Street, Phoenix, Ariz. **Underwriter**—None.

Arlan's Dept. Stores, Inc.
July 5, 1961 filed 300,000 common shares of which 60,000 shares are to be offered by the company and 240,000 shares by the stockholders. **Price**—By amendment. **Business**—The operation of 12 self-service discount stores. **Proceeds**—For working capital and expansion. **Office**—

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NEW ISSUE CALENDAR

August 4 (Friday)

American Univend Corp.________________Common
(Robert A. Martin Associates, Inc.) 100,000 shares
Fifth Dimension Inc.____________________Common
(Milton D. Blauner & Co., Inc.) 60,0000 shares
First Surety Corp.______________________Capital
(Dempsey-Tegeler & Co.) 754,730 shares
Precision Specialties, Inc.________________Common
(Harrison & Co.) $300,000
Ripley Co., Inc.________________________Common
(Dominick & Dominick) 82,500 shares

August 7 (Monday)

Automated Merchandising Capital Corp.___Common
(Blair & Co. Inc.) 400,000 shares
BBM Photocopy Manufacturing Corp.____Common
(Shields & Co.) 50,000 shares
CMC Finance Group, Inc.________________Class A
(Auchincloss, Parker & Redpath) 150,000 shares
Calandra Photo, Inc.____________________Class A
(Cruttenden, Podesta & Co.) 170,000 shares
California Computer Products, Inc.________Common
(Mitchum, Jones & Templeton) $300,000
Calvideo Electronics, Inc.________________Common
(J. K. Norton and Stern, Zeiff) $300,000
Fairfield Controls, Inc.__________________Common
(Globus Inc. and Lieberbaum & Co.) $150,000
Jaymax Precision Products, Inc.__________Common
(Armstrong & Co. Inc.) $300,000
Krystinel Corp. _________________________Class A
(Ross, Lyon & Co. Inc. and Schrijver & Co.) $225,000
Lafayette Realty Co.____________________Interests
(Tenney Securities Corp.) $646,500
Monticello Lumber & Mfg. Co., Inc._______Common
(J. Laurence & Co. Inc.) $300,000
Progressitron Corp. ____________________Common
(Netherlands Securities Co.) $300,000
Radiation Instrument Development
Laboratory, Inc. ______________________Common
(Hayden, Stone & Co.) 100,000 shares
Second Financial, Inc.___________________Common
(Globus Inc.) $300,000
Shepard Airtronics, Inc.__________________Common
(I. C. Wegard & Co.; L. J. Termo & Co. Inc. and Copley & Co.) $300,000
Space Technology & Utilities Corp.______Common
(Henry Fricke Co.) $300,000
Spencer Laboratories, Inc.________________Class A
(Offering to stockholders—underwritten by E. T. Andrews & Co.) $162,400
Tassette, Inc.___________________________Class A
(Amos Treat & Co., Inc.; Bruno Lenchner, Inc. and Karen Securities Corp.) $2,400,000
Vic Tanny Enterprises, Inc._______________Common
(S. D. Fuller & Co.) 320,000 shares

August 8 (Tuesday)

Electrarc, Inc.__________________________Common
(P. de Rensis & Co., Inc.) $500,000
Greene (M. J.) Co._______________________Common
(Hess, Grant & Remington Inc.) $300,000
Gulf-Southwest Capital Corp.____________Common
(Harriman Ripley & Co. and Underwood, Neuhaus & Co., Inc.) 1,250,000 shares
Northern States Power Co.________________Bonds
(Bids 10 a. m. CDST) $20,000,000
Pueblo Supermarkets, Inc.________________Common
(Merrill Lynch, Pierce, Fenner & Smith Inc.) 100,000 shares
Service Photo Industries, Inc.____________Class A
(N. A. Hart & Co.) $600,000
U. S. Fiberglass Products Co.____________Common
(Hauser, Murdock, Rippey & Co.) $400,000

August 9 (Wednesday)

Air Master Corp.________________________Common
(Francis I. du Pont & Co.) 200,000 shares
Atlantic Fund for Investment in U. S.
Government Securities, Inc.____________Common
(Capital Counsellors) $50,000,000
Bloomfield Industries, Inc.________________Common
(Westheimer & Co. and Divine & Fishman Inc.) 140,000 shares
Gulf, Mobile & Ohio RR ____Equip. Trust Cfts.
(Bids noon CDT) $3,600,000
Texas Capital Corp.______________________Common
(Dempsey-Tegeler & Co.) 1,000,000 shares

August 10 (Thursday)

Builtwell Homes, Inc.______________________Units
(Robinson-Humphrey Co. Inc.) 100,000 units
Business Funds, Inc._____________________Capital
(Clark, Dodge & Co. Inc.; Alex. Brown & Sons and Rotan, Mosle & Co.) $14,300,000
Federal Factors, Inc.__________________Debentures
(Thomas Jay, Winston & Co.; Maltz, Greenwald & Co. and Globus, Inc.) $700,000
Federal Factors, Inc.____________________Common
(Thomas Jay, Winston & Co.; Maltz, Greenwald & Co. and Globus, Inc.) 70,000 shares
Harper (H. M.) Co._______________________Common
(Blunt Ellis & Simmons) 180,000 shares

August 11 (Friday)

Audio Visual Teaching Machines, Inc.____Common
(No underwriting) $300,000
T. V. Development Corp.__________________Common
(Kesselman & Co. and Brand, Grumet & Seigel Inc.) $500,000

August 14 (Monday)

Almar Rainwear Corp.____________________Common
(D. H. Blair & Co.) 120,000 shares
American Electronic Laboratories, Inc.___Common
(Offering to stockholders—underwritten by Suplee, Yeatman, Mosley Co. Inc.) 10,632 shares
Amity Corp. _____________________________Common
(Karen Securities Corp.) $266,217
Brisker Corp. ___________________________Common
(Copley & Co.) $160,000
Clarkson Laboratories, Inc._______________Common
(Ross, Lyon & Co. Inc. and Globus Inc.) $400,000

Continued on page 34

Continued from page 33

Consolidated Production Corp.__________**Common**
(Shearson, Hammill & Co.) 200,000 shares
Cosnat Record Distributing Corp.________**Common**
(Amos Treat & Co.) 150,000 shares
Dallas Airmotive, Inc.__________________**Common**
(Eppler, Guerin & Turner, Inc.) 390,000 shares
Electra International, Ltd.______________**Capital**
(Robert A. Martin Associates, Inc. and Ezra Kureen Co.) 70,000 shares
Ets-Hokin & Galvan, Inc._______________**Common**
(Van Alstyne, Noel & Co.) 209,355 shares
Garan Inc.__________________________**Common**
(J. R. Williston & Beane) $780,000
Income Planning Corp.___________________**Units**
(Espy & Wanderer Inc.) $200,000
Kane-Miller Corp.______________________**Common**
(Netherlands Securities Co., Inc.; Seymour Blauner Co. and J. J. Bruno & Co.) $600,000
Lease Plan International Corp.___________**Common**
(Hayden, Stone & Co.) 125,000 shares
Long Island Bowling Enterprises, Inc.____**Common**
(Trinity Securities Corp.) $300,000
Nationwide Homes, Inc._________________**Units**
(Cruttenden, Podesta & Co. and McDaniel Lewis & Co.) 150,000 units
Patent Resources, Inc._________________**Common**
(Darius Inc.; N. A. Hart & Co. and E. J. Roberts & Co. Inc.) 150,000 shares
Pell Pharmaceuticals, Inc.______________**Common**
(R. P. & R. A. Miller & Co. Inc.) $300,000
Riverview ASC, Inc.____________________**Common**
(Albion Securities Co., Inc.) $300,000
Taddeo Bowling & Leasing Corp.__________**Units**
(Lomasney, Loving & Co.) $1,600,000
Triangle Instrument Co._________________**Common**
(Armstrong & Co. Inc.) $300,000
Vinco Corp._____________________**Debentures**
(S. D. Fuller & Co.) $2,000,000

August 15 (Tuesday)

Advanced Scientific Instruments, Inc.____**Common**
(Naftalin & Co.) $1,006,250
Chemonics Corp.______________________**Common**
(Grant, Fontaine & Co.; Evans MacCormack & Co.; Stone & Youngberg and Sellgren, Miller & Co.) $300,000
City Gas Co. of Florida_________________**Common**
(Kidder, Peabody & Co.) 112,278 shares
Consumers Power Co._____________________**Bonds**
(Bids 11:30 a.m. EDST) $40,000,000
Fox-Stanley Photo Products, Inc.________**Common**
(Equitable Securities Corp.) 387,500 shares
Marsan Industries, Inc._________________**Common**
(T. M. Kirsch & Co.) $600,000
Moderncraft Towel Dispenser Co., Inc.____**Common**
(United Planning Corp.) $320,000
Packer's Super Markets, Inc.____________**Common**
(Milton D Blauner & Co., Inc.) $600,000
Pan American Resources, Inc.____________**Common**
(Fred. Martin & Co.) $280,000
Parkview Drugs, Inc.____________________**Common**
(Scherck, Richter Co.) 141,000 shares
Wisconsin Power & Light Co.____________**Preferred**
(Offering to preferred stockholders and employees—underwritten by Smith, Barney & Co. and Robert W. Baird & Co. Inc.) 15,000 shares
Wisconsin Power & Light Co.____________**Preferred**
(Smith, Barney & Co. and Robert W. Baird & Co. Inc.) 50,000 shares

August 16 (Wednesday)

Eastern Air Devices, Inc._______________**Common**
(Offering to stockholders—underwritten by Sutro Bros. & Co. and Gregory & Sons) 150,000 shares
Industrial Gauge & Instrument Co., Inc.___**Common**
(R. F. Dowd & Co. Inc.) $225,000
Kirk (C. F.) Laboratories, Inc.__________**Common**
(Hill, Darlington & Grimm) 100,000 shares
Mite Corp.__________________________**Capital**
(Kidder, Peabody & Co. and Charles W. Scranton & Co.) 325,000 shares
Mortgage Guaranty Insurance Co._________**Common**
(Bache & Co.) 155,000 shares
Nitrogen Oil Well Service Co.___________**Common**
(Underwood, Neuhaus & Co. Inc.) $1,000,000
Plasticon Corp._______________________**Common**
(No underwriting) $1,996,998
Technical Materiel Corp.________________**Common**
(Kidder, Peabody & Co.) 50,000 shares
TelePrompTer Corp._________________**Debentures**
(Bear, Stearns & Co.) $5,000,000

August 17 (Thursday)

U. S. Home & Development Corp.__________**Capital**
(Auchincloss, Parker & Redpath) 300,000 shares

August 18 (Friday)

Lytton Financial Corp.__________________**Capital**
(William R. Staats & Co. and Shearson, Hammill & Co.) 300,000 shares
Shelley Urethane Industries, Inc._________**Common**
(Garat & Polonitza Inc.) 200,000 shares

August 21 (Monday)

Arizona Color Film Processing Laboratories, Inc.________________________**Common**
(Offering to stockholders—no underwriting) $462,110
Bel-Aire Products, Inc.__________________**Common**
(International Equities Co.) $300,000
Bid D Chemical Co._____________________**Class A**
(No underwriting) $300,000
Cellomatic Battery Corp._________________**Common**
(Armstrong & Co. Inc.) $250,000
Flato Realty Fund_______________________**Shares**
(Flato, Bean & Co.) $20,000,000
Frontier Airlines, Inc.__________________**Common**
(No underwriting) 250,000 shares
G-W Ameritronics, Inc.___________________**Units**
(Fraser & Co.) $320,000
Mohawk Insurance Co.____________________**Common**
(R. F. Dowd & Co. Inc.) $900,000
NAC Charge Plan & Northern Acceptance Corp._____________________**Class A**
(Sade & Co.) 33,334 shares
Sav-Mor Oil Corp._______________________**Common**
(Armstrong & Co. Inc.) $230,000
Thoroughbred Enterprises, Inc.___________**Common**
(Sandkuhl & Co. Inc.) $340,000
Trinity Funding Corp.____________________**Common**
(Trinity Securities Corp.) $1,500,000

August 22 (Tuesday)

Reeves Broadcasting & Development Corp._________________________**Debentures**
(Laird & Co. Corp.) $2,500,000

August 25 (Friday)

Intercontinental Dynamics Corp._________**Common**
(M. H. Woodhill Inc.) $300,000

August 28 (Monday)

Applied Research Inc.___________________**Common**
(Cruttenden, Podesta & Co.) $780,000
Cressey, Dockham & Co., Inc.____________**Common**
(Mann & Cressy) $300,000
Douglas Microwave Co., Inc._____________**Common**
(J. R. Williston & Beane and Hill, Darlington & Grimm) 100,000 shares
Gloray Knitting Mills, Inc.______________**Common**
(Shields & Co.) 125,000 shares
Harn Corp.____________________________**Common**
(J. R. Williston and Beane) 150,000 shares
Lewis (Tillie) Foods, Inc._______________**Common**
(Van Alstyne, Noel & Co.) 400,000 shares
MPO Videotronics, Inc.__________________**Common**
(Francis I. du Pont & Co.) 60,000 shares
Philadelphia Laboratories, Inc.__________**Common**
(Woodcock, Moyer, Fricke & French, Inc.) $600,000
Reher Simmons Research, Inc.____________**Capital**
(McLaughlin, Kaufmann & Co.) $900,000
Supronics Corp._________________________**Common**
(Amos Treat & Co. Inc.; Standard Securities Corp. and Bruno-Lenchner Inc.) 90,000 shares
Transvision Electronics, Inc.____________**Common**
(Adams & Peck) 140,000 Shares
United Investors Corp.__________________**Class A**
(No underwriting) $761,090
U. S. Plastic & Chemical Corp.___________**Common**
(Adams & Peck) 125,000 shares

August 29 (Tuesday)

Republic Aviation Corp.__________________**Common**
(Merrill Lynch, Pierce, Fenner & Smith Inc.) 214,500 shares

August 30 (Wednesday)

Conolite, Inc.__________________________**Class A**
(Amos Treat & Co. Inc.) $850,000
Irvan Ferromagnetics Corp.______________**Common**
(Thomas Jay Winston & Co., Inc.) $200,000
Jolyn Electronic Manufacturing Corp.____**Common**
(Kerns, Bennett & Co. Inc.) $193,500
Minichrome, Inc._______________________**Common**
(Continental Securities Inc.) $172,500
Old Empire, Inc.____________________**Debentures**
(Laird, Bissell & Meeds) $700,000
Security Acceptance Corp.__________________**Units**
(No underwriting) $800,000

Southern Realty & Utilities Corp.__________**Units**
(Hirsch & Co. and Lee Higginson Corp.) 6,280 units
Tresco, Inc.____________________________**Common**
(Amos Treat & Co. Inc.) $500,000
West Coast Bowling Corp._________________**Common**
(Hill Richards & Co. Inc.) $1,252,231.50

September 1 (Monday)

Apache Corp._____________________________**Units**
(APA, Inc. Minneapolis, Minn.) $4,500,000
Apache Corp._____________________________**Units**
(APA Inc.) $750,000
Apache Realty Corp.________________________**Units**
(Blunt Ellis & Simmons) $5,000,000
Automated Gift Plan, Inc.________________**Common**
(J. Laurence & Co. Inc.) $330,000
Washington Engineering Services Co., Inc.__**Common**
(No underwriting) 375,000 shares

September 4 (Monday)

S. O. S. Photo-Cine-Optics, Inc.____________**Units**
(William, David & Motti) $200,000

September 5 (Tuesday)

Computer Instruments Corp._______________**Common**
(Hayden, Stone & Co.) 160,000 shares
Ihnen (Edward H.) & Son, Inc.____________**Common**
(Amos Treat & Co. Inc.) $375,000

September 7 (Thursday)

Rodney Metals, Inc.______________________**Common**
(Amos Treat & Co. Inc.) $1,400,000

September 8 (Friday)

Western Union Telegraph Co.______________**Common**
(Offering to stockholders—underwritten by Kuhn, Loeb & Co. and Lehman Brothers) 1,075,791 shares

September 11 (Monday)

A-Drive Auto Leasing System, Inc._________**Class A**
(Hill, Darlington & Grimm) $1,000,000

September 12 (Tuesday)

Rocky Mountain Natural Gas Co., Inc._________**Units**
(Merrill Lynch, Pierce, Fenner & Smith Inc.) 75,000 units

September 13 (Wednesday)

King's Department Stores, Inc.____________**Common**
(Shearson, Hammill & Co.) 500,000 shares

September 15 (Friday)

Walter Sign Corp.________________________**Common**
(Amber, Burstein & Co.) $300,000

September 18 (Monday)

Parish (Amos) & Co., Inc._________________**Common**
(The James Co.) 208,000 shares

September 22 (Friday)

Gyrodyne Co. of America, Inc._______________**Units**
(Harriman Ripley & Co.) 50,000 units

September 26 (Tuesday)

Pacific Gas & Electric Co.__________________**Bonds**
(Bids to be received) $60,000,000

September 27 (Wednesday)

Rochester Gas & Electric Corp.______________**Bonds**
(Bids to be received) $15,000,000

October 3 (Tuesday)

Gulf States Utilities Co._______________**Debentures**
(Bids 11 a. m.) $15,000,000

October 18 (Wednesday)

Georgia Power Co.___________________________**Bonds**
(Bids to be received) $15,500,000
Georgia Power Co._______________________**Preferred**
(Bids to be received) $8,000,000

October 25 (Wednesday)

New England Power Co._______________________**Bonds**
(Bids to be received) $20,000,000

December 5 (Tuesday)

Virginia Electric & Power Co.________________**Bonds**
(Bids to be received) $15,000,000

December 7 (Thursday)

Gulf Power Co.______________________________**Bonds**
(Bids to be received) $5,000,000

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350 Fifth Ave., New York. **Underwriter**—Eastman Dillon, Union Securities & Co., New York (managing).

Assembly Engineers, Inc.
July 11, 1961 ("Reg. A") 100,000 common shares (par 50 cents). **Price**—$3. **Proceeds**—For plant, equipment and working capital. **Office** — 3640 Holdrege Avenue, Los Angeles. **Underwriter**—California Investors, Los Angeles.

Astronetic Research, Inc.
July 11, 1961 ("Reg. A") 54,000 class A common shares (par $1). **Price** — $5. **Proceeds** — For purchase and installation of equipment, and working capital. **Office**—45 Spring Street, Nashua, N. H. **Underwriter** — Schirmer, Atherton & Co., Boston, Mass.

● **Atlantic Fund for Investment in U. S. Government Securities Inc. (8/9)**
July 22, 1960, filed 2,000,000 shares of common stock. **Price** — $25 per share. **Business** — A diversified investment company, which will become an open-end company with redeemable shares upon the sale and issuance of the shares being registered. **Proceeds**—For investment in U. S. Government securities. **Office**—50 Broad Street, New York City. **Underwriter**—Capital Counsellors, 50 Broad Street, New York City. **Note**—This company was formerly the Irving Fund for Investment in U. S. Government Securities, Inc.

Audiographic Inc.
Feb. 27, 1961 filed 150,000 shares of common stock. **Price** —$4 per share. **Business**—The manufacture and sale of fire and burglar warning systems. **Proceeds**—To establish subsidiaries, buy equipment to make component parts of warning systems now manufactured by others, reduce indebtedness, add to inventory, and for working capital. **Office**—Bellemore, L. I., N. Y. **Underwriter**—First Broad Street Corp., New York City (managing).

Audio Visual Teaching Machines, Inc. (8/11)
June 8, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price**—$4. **Business**—The manufacture and distribution of teaching machines, language laboratories and program texts. **Proceeds**—For repayment of debt, purchase of equipment, research and development and working capital. **Office** — 216 E. Diamond Street, Gaithersburg, Md. **Underwriter**—To be named.

★ **Automated Building Components, Inc.**
July 28, 1961 filed 100,000 common shares. **Price** — By amendment. **Business**—The manufacture of metal connector plates used in the prefabrication of wooden roof trusses and the manufacture of jigs and presses from which the plates are made. **Proceeds**—For repayment of loans, expansion and working capital. **Office**—7525 N. W. 37th Avenue, Miami. **Underwriters** — Winslow, Cohu & Stetson, New York and Laird, Bissell & Meeds, Wilmington, Del. (managing).

● **Automated Gift Plan, Inc. (9/1)**
June 12, 1961 ("Reg. A") 100,000 common shares (par 10c). **Price**—$3. **Business**—The manufacture and sale of "Gift Bookards" designed to provide simplified gift giving for business and industry. **Proceeds**—For advertising, sales promotion, repayment of loans, working capital and the establishment of national dealerships. **Office**—80 Park Ave., New York. **Underwriter**—J. Laurence & Co., Inc., New York.

● **Automated Merchandising Capital Corp. (8/7)**
May 24, 1961 filed 200,000 shares of common stock. **Price** —$20. **Business**—A closed-end non-diversified management investment company formed to provide financial assistance to concerns active in the vending industry. **Proceeds**—For investment. **Office**—10 East 40th St., New York City. **Underwriter**—Blair & Co., Inc., New York City (managing).

Automatic Data Processing, Inc.
July 19, 1961 filed 100,000 common shares, of which 50,000 shares are to be offered by the company and 50,000 shares by stockholders. **Price**—$3. **Business**—Electronic data processing. **Proceeds**—For construction and working capital. **Office**—92 Highway 46, East Paterson,

N. J. **Underwriter**—Golkin, Bomback & Co., New York (managing).

Automotive Vacuum Control Corp.
March 30, 1961 (letter of notification) 60,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—For advertising, new products and working capital. **Office**—1007 East Second Street, Wichita, Kan. **Underwriter**—To be named.

● **BBM Photocopy Manufacturing Corp. (8/7)**
May 26, 1961 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The assembly and sale of accessory equipment for photocopy machines. **Proceeds**—For acquisition of the Bohn Duplicator Co. a division of Willmor International Corp. **Office**—42 W. 15th St., New York City. **Underwriter**—Shields & Co., New York City (managing).

BSF Company
June 30, 1961 filed $2,500,000 of 5% convertible subordinated debentures due 1966. **Price**—At par. **Proceeds**—To repay debt and as a reserve for possible acquisitions. **Office**—818 Market St., Wilmington, Del. **Underwriter**—None.

Badger Northland, Inc.
June 16, 1961 filed 100,000 common shares, of which 68,000 shares are to be offered by the company and 32,000 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of farm equipment. **Proceeds**—For a plant, purchase of land, retirement of preferred stock and working capital. **Address**—Kaukauna, Wis. **Underwriter**—Loewi & Co., Inc., Milwaukee (managing).

Bankers Dispatch Corp.
July 20, 1961 filed 100,000 outstanding common shares. **Price**—By amendment. **Business**—The transportation of commercial paper, documents and non-negotiable instruments for banks. **Proceeds**—For the selling stockholder. **Office**—4652 S. Kedzie Avenue, Chicago. **Underwriter**—E. F. Hutton & Co., Inc., New York.

★ **Bargain Town, U. S. A., Inc.**
July 27, 1961 filed 300,000 common shares, of which 200,000 shares are to be offered by the company and 100,000 shares by the stockholders. **Price**—$6. **Business**—The operation of discount department stores. **Proceeds**—For the repayment of debt, and working capital. **Office**—Rockaway Turnpike, North Lawrence, L. I., N. Y. **Underwriter**—Schweickart & Co., New York (managing).

Beam-Matic Hospital Supply, Inc.
July 21, 1961 filed 100,000 common shares. **Price**—$3. **Business**—The manufacture of hospital equipment and supplies. **Proceeds**—For expansion of plant facilities, purchase of equipment, expansion of sales program, development of new products and working capital. **Office**—25-11 49th Street, Long Island City, N. Y. **Underwriter**—First Weber Securities Corp., New York.

● **Bel-Aire Products, Inc. (8/21)**
April 14, 1961 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds**—For repayment of a loan, new equipment, lease of a plant, and working capital. **Office** — 25970 W. 8 mile Road, Southfield, Mich. **Underwriter** — International Equities Co., Miami, Fla.

Bid D Chemical Co. (8/21)
May 17, 1961 (letter of notification) 60,000 shares of class a common stock (par $1). **Price** — $5 per share. **Office**—1708 W. Main St., Oklahoma City, Okla. **Underwriter**—To be named.

Blackman Merchandising Corp.
June 8, 1961 filed 72,500 class A common shares. **Price**—By amendment. **Business**—The wholesale distribution of soft goods lines and artificial flowers. **Proceeds**—For expansion; inventory and working capital. **Office**—1401 Fairfax Trafficway, Kansas City, Kan. **Underwriter**—Midland Securities Co., Inc., Kansas City, Mo.

Bloch Brothers Tobacco Co.
July 3, 1961 ("Reg. A") 4,000 common shares (par $12.50). **Price**—By amendment. **Proceeds**—For the selling stockholders. **Office**—4000 Water St., Wheeling, W. Va. **Underwriter**—Fulton, Reid & Co., Inc., Cleveland.

Bloomfield Building Industries, Inc.
June 29, 1961 filed 300,000 class A common shares. **Price**—$5. **Proceeds**—For advances to a subsidiary, purchase of additional land and the construction of buildings thereon. **Office** — 3355 Poplar Ave., Memphis, Tenn. **Underwriter**—Lieberbaum & Co., New York.

● **Bloomfield Industries, Inc. (8/9)**
May 1, 1961 filed 140,000 shares of common stock, of which 40,000 shares are to be offered for public sale by the company and 100,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The manufacture and sale of food service equipment (for restaurants, hotels, etc.,) and houseware and hospital products. **Proceeds**—For product expansion, working capital and other corporate purposes. **Office**—4546 West 47th St., Chicago, Ill. **Underwriters** — Westheimer & Co., Cincinnati and Divine & Fishman, Inc., Chicago and New York City.

Blue List Publishing Co., Inc.
June 26, 1961 filed 160,000 outstanding common shares. **Price**—By amendment. **Business**—General printing. **Proceeds**—For the selling stockholders. **Office**—130 Cedar Street, New York. **Underwriter**—White, Weld & Co., Inc., New York (managing).

Boulder Lake Corp.
June 28, 1961 filed 315,000 common shares. **Price**—$2.50. **Business**—The acquisition, exploration and development of mineral properties. **Proceeds**—For construction of roads and buildings, purchase of machinery and exploration of properties. **Address**—P. O. Box 214, Twin Bridges, Mont. **Underwriter**—Wilson, Ehli, Demos, Bailey & Co., Billings, Mont.

Bowling Internazionale, Ltd.
June 30, 1961 filed 200,000 common shares. **Price**—$5. **Proceeds**—For the construction or acquisition of a chain of bowling centers principally in Italy, and for expansion and working capital. **Office**—80 Wall St., New York. **Underwriters**—V. S. Wickett & Co., and Thomas, William, & Lee, Inc., New York City.

★ **Bradley Industries, Inc.**
July 25, 1961 filed 70,000 common shares (par $1). **Price**—$5. **Business**—The manufacture of plastic boxes and containers. **Proceeds**—For repayment of loans, purchase of additional molds, acquisition of a new plant, working capital and general corporate purposes. **Office**—1650 N. Damen Ave., Chicago. **Underwriter**—D. E. Liederman & Co., Inc., New York.

Brisker Corp. (8/14)
June 2, 1961 ("Reg. A") 160,000 common shares (par 25 cents). **Price**—$1. **Proceeds**—For repayment of loans, machine rental, working capital and general corporate purposes. **Office**—2833 St. Charles Ave., Suite 4, New Orleans, La. **Underwriter** — Copley & Co., Colorado Springs, Colo.

★ **Brite Universal, Inc.**
July 31, 1961 filed 100,000 common shares and $1,000,000 of 10% subordinated debentures due 1966 to be offered for public sale and 108,365 common shares to be offered for subscription by stockholders of Brite Universal, Inc. (N. Y.) parent company, on the basis of 2½ shares for each class A and class B shares held. **Price**—By amendment. **Business**—The operation of a consumer finance business in N. Y., N. J., and Pa. **Office**—441 Lexington Avenue, New York City. **Underwriter**—None.

British-American Construction & Materials Ltd.
July 7, 1961 filed $3,500,000 (U. S.) debentures, 6% sinking fund series due 1981 (with warrants) and 300,000 outstanding common shares. **Price**—By amendment. **Business**—A construction company. **Proceeds**—Debentures—For repayment of debt, construction, acquisition and working capital. Stock—For the selling stockholders. **Office**—Jarvis Ave., at Andrews St., Winnipeg, Manitoba, Canada. **Underwriter**—P. W. Brooks & Co., Inc., New York (managing).

● **Builtwell Homes, Inc. (8/10)**
May 25, 1961 filed $1,000,000 of convertible subordinated debentures due 1981 and 300,000 shares of common stock, to be offered for sale in 100,000 units, each consisting of $10 of debentures and three common shares. **Price**—To be supplied by amendment. **Business**—The construction financing and sale of shell homes. **Proceeds**—For the repayment of debt, the opening of additional sales offices and the financing of home sales. **Office**—Adrian, Ga. **Underwriter**—The Robinson-Humphrey Co., Inc., Atlanta, Ga. (managing).

● **Business Funds, Inc. (8/10)**
June 2, 1961 filed 1,750,000 shares of capital stock. **Price**—$11. **Business**—A small business investment company. **Proceeds** — For investment. **Office** — 201 Main St., Houston, Texas. **Underwriters**—Clark, Dodge & Co., Inc., New York; Alex. Brown & Sons, Baltimore, and Rotan, Mosle & Co., Houston.

Byer-Rolnick Hat Corp.
June 27, 1961 filed 100,000 outstanding common shares. **Price**—By amendment. **Proceeds**—For the selling stockholders. **Office**—601 Marion Dr., Garland, Tex. **Underwriters** — Dallas Rupe & Son, Inc., Dallas, Tex., and Straus, Blosser & McDowell, Chicago.

CMC Finance Group, Inc. (8/7-11)
April 28, 1961 filed 150,000 shares of class A common stock. **Price**—To be supplied by amendment. **Business**—The company, through its 20 subsidiaries, is engaged in the consumer finance business in North Carolina, South Carolina and Georgia. **Proceeds** — For working capital. **Office**—1009 Wachovia Building, Charlotte, N. C. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C.

Calandra Photo, Inc. (8/7)
May 29, 1961 filed 170,000 class A shares, including 50,000 to be sold by the company and 120,000 by stockholders. **Price**—By amendment. **Business**—The processing of photographic film, wholesale distribution of photographic equipment, and operation of retail camera stores. **Proceeds**—For examnpansion, equipment, and working capital. **Office**—116 North 42nd Street, Omaha, Neb. **Underwriter**—Cruttenden, Podesta & Co., Chicago (managing).

★ **Caldor, Inc.**
July 27, 1961 filed 120,000 common shares. **Price**—$5. **Business**—The operation of retail discount stores. **Proceeds**—For expansion and working capital. **Office**—69 Jefferson St., Stamford, Conn. **Underwriter**—Ira Haupt & Co., New York (managing).

● **California Computer Products, Inc. (8/7)**
July 3, 1961 ("Reg. A") 75,000 common shares (par 50 cents). **Price**—$4. **Proceeds**—For new products, inventory, repayment of loans and working capital. **Office**—8714 E. Cleta St., Downey, Calif. **Underwriter**—Mitchum, Jones & Templeton, Los Angeles, Calif.

● **California Growth Capital Inc.**
July 18, 1961 filed 660,000 common shares. **Price** — By amendment. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—111 Sutter St., San Francisco, Calif. **Underwriters**—H. M. Byllesby & Co., Inc., Chicago and Birr & Co., Inc., San Francisco.

Cal-Val Research & Development Corp.
June 16, 1961 filed 200,000 common shares. **Price**—By amendment. **Business**—Engineering research and development in ground support equipment in the missile, rocket and space fields. **Proceeds**—To repay loans and for general corporate purposes. **Office**—19907 Ventura Boulevard, Woodland Hills, Calif. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C. **Offering**—Expected in late August.

● **Calvideo Electronics, Inc. (8/7-11)**
May 29, 1961 ("Reg. A.") 100,000 common shares (par 10 cents). **Price**—$3. **Proceeds**—For repayment of debt and working capital. **Office**—18601 S. Santa Fe Ave., Compton, Calif. **Underwriters**—J. K. Norton & Co. and Stern, Zeiff & Co., Inc., New York.

Capital Income Fund, Inc.
July 3, 1961 filed 30,000 common shares. **Price** — By amendment. **Business**—A mutual fund. **Proceeds** — For investment. **Office** — 900 Market St., Wilmington, Del. **Underwriter**—Capital Management Corp., Miami (managing).

Capitol Research Industries, Inc.
June 28, 1961 filed 165,000 common shares and 75,000 common stock purchase warrants. **Price**—For stock, $2; for warrants, 20 cents. **Business**—The manufacture of X-ray film processing machines. **Proceeds**—For repayment of loans and working capital. **Office**—4206 Wheeler Avenue, Alexandria, Va. **Underwriter**—None.

★ **Caressa, Inc.**
Aug. 2, 1961 filed 150,000 common shares, of which 75,000 will be sold by the company and 75,000 by a stockholder. **Price**—By amendment. **Business**—The manufacture of women's shoes. **Proceeds**—The company will use its share of the proceeds for expansion, the repayment of debt and for other corporate purposes. **Office**—5300 N. W. 37th Ave., Miami, Fla. **Underwriter** — Shearson, Hammill & Co., New York (managing).

★ **Casa Electronics Corp.**
July 19, 1961 ("Reg. A") 80,000 common shares (par 50 cents). **Price**—$2.50. **Proceeds**—For test equipment, reduction of mortgage and working capital. **Office**—2233 Barry Ave., West Los Angeles, Calif. **Underwriter**—Harris Securities Corp., New York.

Cellomatic Battery Corp. (8/21-25)
June 20, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price** — $2.50. **Proceeds** — For repayment of debt, inventory and working capital. **Office**—300 Delaware Avenue, Archbald, Pa. **Underwriter**—Armstrong & Co., Inc., New York.

Center Laboratories, Inc.
June 20, 1961 filed $200,000 of convertible subordinated debentures due 1976 and 80,000 common shares underlying such debentures, and 70,000 outstanding common shares to be sold by stockholders. **Price**—(Debentures) At par. (Common) $2 per share. **Proceeds**—For construction of a new building. **Office**—Port Washington, N. Y. **Underwriters**—Brand, Grumet & Seigel, Inc., and Kesselman & Co., Inc., New York.

Central Investment Corp. of Denver
June 19, 1961 filed 600,000 common shares. **Price**—$3.75. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—611 Central Bank Building, Denver. **Underwriters**—Boettcher & Co.; Bosworth, Sullivan & Co., Inc., and Peters, Writer & Christensen, Inc., Denver.

Challenger Products, Inc.
June 30, 1961 filed 125,000 common shares. **Price**—$5. **Proceeds**—For the repayment of debt, purchase of new equipment, and working capital. **Office**—2934 Smallman St., Pittsburgh, Pa. **Underwriter**—Pistell, Crowe, Inc., New York.

Charles Jacquin et Cie, Inc.
July 7, 1961 filed 140,000 common shares of which 20,000 shares are to be offered by the company and 120,000 shares by stockholders. **Price**—By amendment. **Business**—The production of cordials, vodka, rum, brandy, etc. **Proceeds**—For working capital, sales promotion and advertising. **Office**—2633 Trenton Ave., Philadelphia. **Underwriter**—Stroud & Co., Inc., Philadelphia (managing). **Offering**—Expected in early September.

Charter Industries, Inc.
June 22, 1961 filed 100,000 common shares. **Price**—$4. **Business**—The manufacture of molded plastic products. **Proceeds**—For starting up production and plant expansion. **Office**—388 Codwise Ave., New Brunswick, N. J. **Underwriter** — Standard Securities Corp., New York (managing).

Chemonics Corp. (8/15)
Nov. 14, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business**—Manufacturers of printed circuits for the missile industries. **Proceeds** — For general corporate purposes and working capital. **Office**—990 S. Fairoaks Ave., Pasadena, Calif. **Underwriters**—Grant, Fontaine & Co., Oakland, Calif. (managing); Evans MacCormack & Co., Los Angeles, Calif.; Stone & Youngberg, San Francisco and Sellgren, Miller & Co., Oakland, Calif.

★ **Chermil Capital Corp.**
July 25, 1961 filed 250,000 common shares. **Price** — $2. **Business**—A closed-end investment company. **Proceeds**—For investment. **Office**—32 Broadway, New York. **Underwriter**—Edward H. Stern & Co., Inc., New York.

Chock Full O' Nuts Corp.
April 7, 1961 filed $6,938,900 of 4½% subordinated debentures, due Aug. 1, 1981 being offered for subscription by stockholders on the basis of one $100 debenture for each 50 common shares held of record July 21 with rights to expire Aug. 7. **Price**—At par. **Business**—The operation of a chain of restaurants in the New York City area, and the packaging and retail sale of coffee. **Proceeds**—For expansion. **Office**—425 Lexington Ave., New York 17, N. Y. **Underwriter**—F. Eberstadt & Co., New York City (managing).

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Church Builders, Inc.
Feb. 6, 1961 filed 50,000 shares of common stock, series 2. Price—$5.50 per share. Business—A closed-end diversified investment company of the management type. Proceeds—For investment. Office—501 Bailey Avenue, Fort Worth, Texas. Distributor—Associates Management, Inc., Fort Worth, Texas.

Churchill Stereo Corp.
July 17, 1961 105,000 common shares and 105,000 attached five-year warrants to be offered in units of one share and one warrant. **Price**—$3.60 per unit. **Business**—The manufacture of stereophonic, hi-fidelity, radio and/or television equipment and the operation of six retail stores. **Proceeds** — For expansion, repayment of loans, working capital and other corporate purposes. **Office**—200 E. 98th Street, Brooklyn, N. Y. **Underwriter**—Lieberbaum & Co., New York (managing).

City Gas Co. of Florida (8/15)
June 15, 1961 filed 112,278 common shares. **Price** — By amendment. **Proceeds**—For repayment of loans, purchase of tank cars, and expansion. **Office**—955 E. 25th Street, Hialeah, Fla. **Underwriter**—Kidder, Peabody & Co., New York (managing).

Clark Equipment Credit Corp.
April 21, 1961 filed $20,000,000 of debentures, series A, due 1981. **Price**—To be supplied by amendment. **Business**—The financing in the U. S and Canada of retail time sales of products manufactured by Clark Equipment Co., parent. **Proceeds**—For the repayment of debt. **Office**—324 East Dewey Ave., Buchanan, Mich. **Underwriters**—Lehman Brothers and Blyth & Co., Inc., New York City (managing). **Offering** — Temporarily postponed.

Clarise Sportswear Co., Inc.
July 21, 1961 filed 125,000 common shares, of which 75,000 shares are to be offered by the company and 50,000 shares by stockholders. **Price**—$5. **Business**—The manufacture of women's sportswear. **Proceeds**—For working capital. **Office**—141 W. 36th Street, New York. **Underwriters**—Alessandrini & Co., Inc. and Hardy & Hardy, New York (co-managing).

● **Clarkson Laboratories, Inc. (8/14-18)**
April 27, 1961 filed 200,000 shares of common stock. **Price**—$2 per share. **Business**—The company plans to engage in the development, manufacture, packaging and sale of industrial chemicals and latex, resins and plastic compounds for industrial and commercial use. **Proceeds**—For plant additions, repayment of debt, and working capital. **Office**—1450 Ferry Avenue, Camden, N. J. **Underwriters**—Ross, Lyon & Co., Inc., and Globus, Inc., both of New York City.

● **Cle-Ware Industries, Inc.**
July 25, 1961 filed 195,000 common shares of which 160,000 shares are to be offered by the company and 35,000 shares by stockholders. **Price**—By amendment. **Business**—The wholesaling of parts, chemicals and accessories related to the automotive and marine fields. **Proceeds**—For repayment of loans, working capital and other corporate purposes. **Office**—10604 St. Clair Ave., Cleveland. **Underwriter**—Westheimer & Co., Cincinnati. **Offering**—Expected in mid-September.

Clute (Francis H.) & Son, Inc.
July 3, 1961 filed 1,000,000 common shares. **Price**—$1.50. **Business** — The manufacture of farm and industrial equipment. **Proceeds**—For materials and inventory, research and development and working capital. **Office**—1303 Elm St., Rocky Ford, Colo. **Underwriter** — Stone, Altman & Co., Inc., Denver.

★ **Cobbs Fruit & Preserving Co.**
July 27, 1961 filed 150,000 common shares, of which 128,500 are to be offered for public sale by the company and 21,500 by the underwriter. **Price**—$5. **Business**—The sale of fruits, candies, preserves and novelties. **Proceeds**—For expansion and other corporate purposes. **Office**—400 N. E. 79th St., Miami, Fla. **Underwriter** — Jay W. Kaufmann & Co., New York.

Coburn Credit Co., Inc.
July 18, 1961 filed $1,500,000 of convertible subordinated debentures due 1976. **Price**—At par. **Business**—A consumer finance company. **Proceeds**—For general corporate purposes. **Office** — 53 N. Park Ave., Rockville Center, N. Y. **Underwriters**—Brand, Grumet & Seigel, Inc. and Kesselman & Co., Inc., New York.

Color Reproductions, Inc.
May 10, 1961 (letter of notification) 950 units of $95,000 of 6% subordinated debentures, due June 30, 1971, and 47,500 shares of common stock (par one cent) to be offered in units, each unit consisting of $100 of debentures and 50 shares of common stock. **Price**—$287.50 per unit. **Business**—The company makes color photographs and reproductions for churches, institutions, seminaries and schools. **Proceeds**—For equipment; sales promotion; repayment of loans; construction of buildings and improvements of facilities. **Office**—202 E. 44th St., New York, N. Y. **Underwriter**—William, David & Motti, Inc., New York, N. Y.

Columbian Bronze Corp.
July 13, 1961 filed 150,000 common shares. **Price**—$5 **Business**—The manufacture of marine propellers and electronic equipment, hydraulic products and metal furniture. **Proceeds**—For repayment of loans and expansion. **Office**—216 N. Main St., Freeport, N. Y. **Underwriter**—Lomasney, Loving & Co., New York (managing).

★ **Commonwealth Theatres of Puerto Rico, Inc.**
July 28, 1961 filed 100,000 common shares, of which 50,000 shares are to be offered by the company and 50,000 shares by stockholders. **Price**—$10. **Business**—The operation of a chain of theatres in Puerto Rico. **Proceeds**—For construction of a drive-in movie theatre, building renovations and general corporate purposes. **Address**—Santurce, Puerto Rico. **Underwriter**—J. R. Williston & Beane, New York (managing).

Computer Instruments Corp. (9/5-8)
July 13, 1961 filed 160,000 outstanding common shares. **Price**—By amendment. **Business**—The manufacture of precision potentiometers, electronic components and measuring instruments. **Proceeds** — For the selling stockholders. **Office**—92 Madison Ave., Hempstead, N. Y. **Underwriter**—Hayden, Stone & Co., New York (managing).

Conolite, Inc. (8/30)
June 1, 1961 filed 170,000 class A shares. **Price** — $5. **Business**—Manufacturers "Conolite," a laminate used in the construction, furniture and aircraft industries and for electrical insulation. **Proceeds**—For the purchase of the "Conolite" business of Continental Can Co., Inc.; the repayment of debt; moving expenses, and working capital. **Office**—Suite 414, 52 Broadway, New York. **Underwriter**—Amos Treat & Co., Inc., New York.

● **Consolidated Marine Industries, Inc.**
June 20, 1961 filed 200,000 common shares. **Price**—$6. **Business**—A holding company for concerns engaged in the pleasure-boat industry. **Proceeds**—For working capital and other corporate purposes. **Office**—809 Cameron Street, Alexandria, Va. **Underwriter**—Alexandria Investments & Securities, Inc., Washington, D. C. **Offering**—Expected in late August.

● **Consolidated Production Corp. (8/14-18)**
May 26, 1961 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company, which plans to change its name to Consolidated Production Corp., buys and manages fractional interests in producing oil and gas properties. **Proceeds**—For investment, and working capital. **Office**—14 North Robinson, Oklahoma City, Okla. **Underwriter** — Shearson, Hammill & Co., New York City (managing). **Note**—This company formerly was named Cador Production Corp.

Consumers Power Co. (8/15)
June 23, 1961 filed $40,000,000 of first mortgage bonds due Aug. 1, 1991. **Office**—212 West Michigan Ave., Jackson, Mich. **Underwriters**—(Competitive) Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and Shields & Co. (jointly); Harriman Ripley & Co., and First Boston Corp. (jointly); Morgan Stanley & Co. **Bids**—Aug. 15, 1961 at 11:30 a.m. (EDST) at 300 Park Ave., New York. **Information Meeting**—Aug. 10, 1961 at 11 a.m. (EDST) at Bankers Trust Co., 2nd floor, 16 Wall St.

★ **Consumers Utilities Corp.**
July 27, 1961 filed 302,000 outstanding common shares to be offered for subscription by stockholders of Mobilife Corp., of Bradenton, Fla., parent company, on the basis of 3 Consumers shares for each 5 Mobilife shares held. **Price**—By amendment. **Business**—The acquisition, construction and operation of water-treatment and sewage-disposal plants in suburban areas of Florida. **Proceeds** — For the selling stockholder (Mobilife Corp.) **Office**—Sarasota, Fla. **Underwriter**—Golkin, Bomback & Co., New York City.

Continental Fund Distributors, Inc.
April 13, 1961 filed 296,000 common shares and 296,000 warrants for the purchase of stock of Continental Management Corp., advisor to Continental Growth Fund, Inc. The securities will be offered for public sale in units of one common share and one warrant. **Price**—$1 per unit. **Business**—The company is the sponsor of Continental Growth Fund, Inc. **Proceeds**—For expansion. **Office**—366 Fifth Ave., New York City. **Underwriter**—Niagara Investors Corp., New York.

Continental Leasing Corp.
June 19, 1961 ("Reg. A") 100,000 common shares (par one cent). **Price**—$3. **Proceeds**—For purchase of new automobiles, advertising and promotion, and working capital. **Office**—527 Broad St., Sewickley, Pa. **Underwriter** — H. B. Crandall Co. and Cambridge Securities, Inc., New York.

Copycat Corp.
June 19, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The distribution and sale of photocopy and distributing machines. **Proceeds**—For working capital, advertising, research and expansion. **Office**—200 Park Ave., S., New York. **Underwriters**—Treves & Co. and Reich & Co., New York.

Cosmetic Chemicals Corp.
June 28, 1961 filed 100,000 common shares (par one cent). **Price** — $4. **Business** — The distribution of cosmetics. **Proceeds**—For advertising, sales expenses, inventory, research, working capital and other corporate purposes. **Office**—5 E. 52nd Street, New York. **Underwriter**—Nance-Keith Corp., New York.

Cosmo Book Distributing Co.
July 6, 1961 filed 110,000 common shares. **Price** — $3. **Business**—The wholesale distribution of books. **Proceeds**—For repayment of a loan, inventory, working capital and general corporate purposes. **Office** — 1130 Madison Ave., Elizabeth, N. J. **Underwriter**—Frank Karasik & Co., Inc., New York.

Cosmodyne Corp.
June 12, 1961 filed 100,000 common shares. **Price**—By amendment. **Business** — The manufacture of equipment for the storage of super-cold liquids and gases. **Proceeds**—For manufacture of new equipment, repayment of loans; general corporate purposes and working capital. **Office**—3232 W. El Segundo Blvd., Hawthorne, Calif. **Underwriter**—Dean Witter & Co., San Francisco. **Offering**—Expected in Mid-August.

Cosnat Record Distributing Corp. (8/14-18)
May 26, 1961 filed 150,000 shares of common stock, of which 105,556 shares are to be offered for public sale by the company and 44,444 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and distribution of phonograph records. **Proceeds**—For the repayment of debt, and working capital. **Office**—315 W. 47th St., New York. **Underwriter**—Amos Treat & Co., New York City (managing).

Cott Bottling Co., Inc.
June 29, 1961 filed 335,000 common shares of which 170,000 shares are to be offered by the company and 165,000 shares by stockholders. **Price**—By amendment. **Business** — The manufacture of carbonated beverages. **Proceeds**—To repay loans, increase inventory and for expansion. **Office**—177 Granite Street, Manchester, N. H. **Underwriter**—R. W. Pressprich & Co., New York.

★ **Cramer Electronics, Inc.**
July 27, 1961 filed 150,000 common shares, of which 107,250 shares are to be offered by the company and 42,750 shares by the stockholders. **Price**—By amendment. **Business**—The distribution of electronic components and equipment. **Proceeds**—For repayment of loans, inventory and working capital. **Office**—811 Boylston St., Boston. **Underwriter**—Carl M. Loeb, Rhoades & Co., New York (managing).

Crank Drug Co.
July 3, 1961 filed 130,000 common shares. **Price** — By amendment. **Business** — The operation of retail drug stores. **Proceeds**—For repayment of loans, and for expansion. **Office**—1947 E. Meadowmere St., Springfield, Mo. **Underwriter** — Reinholdt & Gardner, St. Louis (managing).

★ **Creative Playthings, Inc.**
July 28, 1961 filed 100,000 common shares. **Price** — By amendment. **Business**—The manufacture of equipment and material for children. **Proceeds**—For research and development, expansion, repayment of loans and working capital. **Address**—Cranbury, N. J. **Underwriter**—A. G. Becker & Co., Inc., Chicago and Semple, Jacobs & Co., Inc., St. Louis.

Cressey, Dockham & Co., Inc. (8/28-9/1)
June 15, 1961 ("Reg. A") 100,000 common shares (par $1). **Price**—$3. **Proceeds**—For working capital. **Office**—1 IGA Way, Salem, Mass. **Underwriter**—Mann & Creesy, Salem, Mass.

Custom Shell Homes, Inc.
May 8, 1961 (letter of notification) 120,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Proceeds**—To erect sample homes, repay a loan, and for expansion and working capital. **Office**—412 W. Saratoga St., Baltimore, Md. **Underwriter**—T. J. McDonald & Co., Washington, D. C.

Dadan, Inc.
June 29, 1961 ("Reg. A") 160,000 common shares (par 50 cents). **Price**—$1.15. **Business**—The manufacture of games. **Proceeds**—For repayment of loans, development of new products and working capital. **Office**—209 Wilder Bldg., Rochester 14, N. Y. **Underwriter**—McDonald, Anderson, Peterson & Co., Inc., Minneapolis.

Dallas Airmotive, Inc. (8/14)
May 26, 1961 filed 390,000 shares of common stock, of which 350,000 shares are to be offered for public sale by the company and 40,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The overhaul of aircraft engines for commercial and military customers. **Proceeds** — For realty acquisitions, the repayment of debt, and for expansion. **Office**—6114 Forest Park Road, Dallas, Texas. **Underwriter**—Eppler, Guerin & Turner, Inc., Dallas.

Data Components, Inc.
June 6, 1961 ("Reg. A") 120,000 common shares (par 10 cents). **Price**—$2. **Business**—The marking and fabrication for metal parts. **Proceeds**—For moving expenses, plant equipment, sales promotion and working capital. **Office** — 2212 McDonald Ave., Brooklyn, N. Y. **Underwriter**—A. J. Frederick Co., Inc., New York.

Data Management, Inc.
July 17, 1961 ("Reg. A") 260,869 class A common shares (par 10 cents). **Price**—$1.15. **Proceeds**—For purchase of equipment, investments, and working capital. **Office**—1608 First National Bank Building, Minneapolis. **Underwriter**—M. H. Bishop & Co., Minneapolis.

Datom Industries, Inc.
July 17, 1961 filed 112,500 common shares. **Price**—$4. **Business**—The manufacture of electrical products such as transistorized and conventional tube radios, portable phonographs and educational kits. **Proceeds**—For working capital and other corporate purposes. **Office**—350 Scotland Road, Orange, N. J. **Underwriter**—Robert L. Ferman & Co., Miami, Fla. (managing).

Deco Aluminum, Inc.
July 5, 1961 ("Reg. A") 100,000 common shares (par five cents). **Price** — $3. **Proceeds** — For repayment of loans; inventory; equipment and working capital. **Office**—4250 Adams Ave., Philadelphia. **Underwriter**—R. P. & R. A. Miller & Co., Inc., Philadelphia.

★ **Discount Stores, Inc.**
July 12, 1961 ("Reg. A") 120,000 common shares (no par). **Price**—$2.50. **Proceeds**—For the organization of new subsidiaries. **Office** — 707 Colorado Bldg., Denver, Colo. **Underwriter** — Copley & Co., Colorado Springs, Colo.

Diversified Industries, Inc.
June 12, 1961 ("Reg. A") 24,059 7% convertible preferred shares (par $5) being offered for subscription by common stockholders on the basis of one share of preferred for each 10 shares of common held of record on June 5, 1961 with rights to expire Aug. 9. **Price**—$5 per share. **Proceeds**—To repay debt, and for working capital. **Office**—8450 San Fernando Road, Sun Valley, Calif. **Underwriters**—R. E. Bernhard & Co., Beverly Hills, Calif.; Hardy & Co., New York; Arthur B. Hogan, Inc., Burbank, Calif.; Wedbush & Co. and Wheeler & Cruttenden, Inc., Los Angeles; M. S. Walker & Co., Long Beach, Calif., and V. E. Anderson & Co., Salt Lake City.

Diversified Wire & Steel Corp. of America
July 17, 1961 filed 100,000 class A common shares. **Price**—$4. **Business**—The manufacture of cold drawn steel wire, furniture springs and related products. **Proceeds**—for repayment of debt, acquisition and improvement of property, equipment, and working capital. **Office**—3525 E. 16th St., Los Angeles. **Underwriter**—V. K. Osborne & Sons, Inc., Beverly Hills, Calif. (managing).

Dollar Mutual Fund, Inc.
April 25, 1961 filed 100,000,000 shares of capital stock. **Price** — $1 per share. **Business** — A diversified mutual fund. **Proceeds** — For investment. **Office** — 736 Midland Bank Bldg., Minneapolis, Minn. **Underwriter**—Fund Distributors, Inc.

Douglas Microwave Co., Inc. (8/28-9/1)
June 29, 1961 filed 100,000 common shares. **Price**—By amendment. **Business**—The manufacture of microwave components, test equipment and sub-systems. **Proceeds**—For repayment of loans, research and development, advertising, purchase of equipment and other corporate purposes. **Office**—252 E. 3rd Street, Mount Vernon, N. Y. **Underwriters**—J. R. Williston & Beane and Hill, Darlington & Grimm, New York (managing).

Drug & Food Capital Corp.
July 14, 1961 filed 500,000 common shares. **Price**—$10. **Business**—A small business investment company. **Proceeds**— For investment. **Office**—30 N. La Salle St., Chicago. **Underwriters**—A. C. Allyn & Co., Chicago & Westheimer & Co., Cincinnati (managing).

Duke Shopping Center Limited Partnership
June 28, 1961 filed 269 units of limited partnerships interests. **Price** — $1,000. **Business** — The acquisition and construction of a shopping center at Alexandria, Va. **Proceeds**—For the purchase of the above property. **Office**—729-15th Street, N. W., Washington, D. C. **Underwriter**—Investor Service Securities, Inc., Washington, D. C.

Dunlap & Associates, Inc.
June 30, 1961 filed 75,000 common shares, of which 60,000 will be offered by the company and 15,000 by stockholders. **Price**—By amendment. **Business**—The company provides scientific research, engineering consulting and development services to the Armed Services, U. S. Government agencies and private industry. **Proceeds**—For purchase of building sites, expansion, and working capital. **Office**—429 Atlantic St., Stamford, Conn. **Underwriter**—Dominick & Dominick, New York. **Offering**—Expected in early September.

Dynamic Gear Co., Inc.
June 29, 1961 filed 125,000 common shares of which 100,000 shares are to be offered by the company and 25,000 shares by a stockholder. **Price** — $3. **Business** — Manufacture of precision instrument gears. **Proceeds**—For purchase and rebuilding of automatic gear-cutting machines, prepayment of a note, inventory, a new plant and for general corporate purposes. **Office**—175 Dixon Avenue, Amityville, N. Y. **Underwriters**—Flomenhaf, Seidler & Co., Inc. and Lomasney, Loving & Co., New York (managing).

Dynamic Toy, Inc.
June 30, 1961 ("Reg. A") 81,000 common shares (par 10 cents). **Price**—$3. **Business** — The manufacture of toys. **Proceeds**—For advertising, development of new products expansion and working capital. **Address**—109 Ainslie St., Brooklyn, N. Y. **Underwriter**—Hancock Securities Corp., New York. **Offering**—Expected in September.

E. C. P. I., Inc.
June 14, 1961 ("Reg. A") 52,500 common shares (par 25 cents). **Price**—$5.50. **Business**—The training of personnel to operate IBM electronic computers and punch card tabulating equipment. **Proceeds** — For expansion and working capital. **Office**—116 W. 14th Street, New York. **Underwriter**—Stern, Zeiff & Co., Inc., New York.

● **Eastern Air Devices, Inc. (8/16)**
June 16, 1961 filed 150,000 common shares to be offered for subscription by common stockholders of Crescent Petroleum Corp., parent, on the basis of one share for each 10 Crescent shares held. **Business**—The manufacture of power and servo components. **Proceeds**—For the purchase of equipment and other corporate purposes. **Office**—385 Central Avenue, Dover, N. H. **Underwriters**—Sutro Bros. & Co. and Gregory & Sons, New York (managing).

Eckerd Drugs of Florida, Inc.
June 29, 1961 filed 90,000 common shares and $900,000 of 7% convertible subordinated debentures due 1971 to be offered in units consisting of one common share and $10 of debentures. **Price**—By amendment. **Business**—The operation of drug stores. **Proceeds**—To open 5 new stores, repay loans and other corporate-purposes. **Office**—3665 Gandy Blvd., Tampa, Fla. **Underwriter**—Courts & Co., Atlanta (managing).

Edo Corp.
June 14, 1961 filed 108,971 common shares. **Price** — By amendment. **Business** — The manufacture of electronic equipment. **Proceeds**—For the selling stockholders. **Office**—1404 111th Street, College Point, N. Y. **Underwriters**—Paine, Webber, Jackson & Curtis and Kidder, Peabody & Co., New York (managing). **Offering**—Expected in early September.

Educators Furniture & Supply Co., Inc.
June 29, 1961 ("Reg. A") 5,099 capital shares (par $10). **Price**—$20. **Proceeds**—For repayment of loans. **Office**—2617 Kay St., Sacramento, Calif. **Underwriter**—None.

Electra International, Ltd. (8/14-18)
May 5, 1961 filed 70,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The manufacture of products in the automotive ignition field for sale outside of the United States. **Proceeds** — For research, and development, and working capital. **Office**—222 Park Ave., South, New York City. **Underwriters**—Robert A. Martin Associates, Inc., and Ezra Kureen Co., both of New York City.

● **Electrarc, Inc. (8/8)**
April 21, 1961 filed 100,000 shares of common stock. **Price** — $5 per share. **Business** — The research and development of arc welding and wire shielding. **Proceeds**—For equipment, working capital and miscellaneous expenses. **Office**—505 Washington St., Lynn, Mass. **Underwriter**—P. de Rensis & Co., Inc., Boston, Mass.

Electro-Med, Inc.
July 17, 1961 filed $540,000 of convertible subordinated debentures due 1971. **Price**—By amendment. **Business**—The manufacture of medical-electronic instruments. **Proceeds** — For working capital. **Office** — 4748 France Avenue, N. Minneapolis. **Underwriter**—Craig-Hallum, Kinnard, Inc., Minneapolis (managing).

Electro-Miniatures Corp.
June 19, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business** — The manufacture of electronic and electro-mechanical devices for the aircraft, radar, missile and rocket industries. **Proceeds**—For the selling stockholders. **Office**—600 Huyler St., Hackensack, N. J. **Underwriter**—Burnham & Co., New York.

★ **Electro-Nucleonics, Inc.**
July 25, 1961 ("Reg. A") 49,500 common shares (par 7½ cents). **Price**—$5. **Business**—The manufacture of electro-nucleonic and electro- and gas-atomic machinery. **Proceeds**—For purchase and installation of a laboratory and test equipment, research and development and working capital. **Office**—368 Passaic Avenue, Caldwell, N. J. **Underwriter**—None.

★ **Electro-Tec Corp.**
July 28, 1961 filed 91,000 common shares (par 10 cents). **Price**—By amendment. **Business**—The manufacture of slip rings and brush block assemblies, switching devices, relays, and precious metal products. **Proceeds**—For the selling stockholders. **Office** — 10 Romanelli Ave., South Hackensack, N. J. **Underwriter**—Harriman Ripley & Co., Inc., New York (managing). **Offering**—Expected in late September.

Electro-Temp Systems, Inc.
June 30, 1961 ("Reg. A") 75,000 common shares (par one cent). **Price** $4. **Business**—The sale of refrigeration machinery and equipment. **Proceeds**—For repayment of a loan, inventory, promotion and advertising, and working capital. **Office**—150-49 Hillside Ave., Jamaica, N. Y. **Underwriters**—Planned Investing Corp., New York and Bayes, Rose & Co., Inc., 39 Broadway, New York.

Electronic Instrument Co., Inc.
June 28, 1961 filed 175,000 capital shares, of which 118,000 shares are to be offered by the company and 57,000 shares by a selling stockholder. **Price**—By amendment. **Business** — The manufacture of electronic equipment. **Proceeds**—For repayment of loans and general corporate purposes. **Office** — 33-00 Northern Blvd., Long Island City, N. Y. **Underwriter**—Goodbody & Co., New York (managing).

★ **Electronics Discovery Corp.**
July 26, 1961 filed 150,000 common shares. **Price**—$1. **Business** — The company plans to develop a device to make non-conductors into electrical conductors by the addition of chemicals. **Proceeds**—For research and development. **Office** — 1100 Shames Dr., Westbury, L .I., N. Y. **Underwriter**—Globus, Inc., New York.

Empire Fund, Inc.
June 28, 1961 filed 1,250,000 shares of capital stock to be offered in exchange for blocks of designated securities. **Business**—A "centennial-type" fund which plans to offer a tax free exchange of its shares for blocks of corporate securities having a market value of $20,000 or more. **Office**—44 School Street, Boston, Mass. **Underwriter**—A. G. Becker & Co. Inc., Chicago.

Empire Life Insurance Co. of America
March 14, 1961 (letter of notification) 30,000 shares of capital stock (no par). **Price**—$10 per share. **Proceeds**—To go to selling stockholders. **Office**—2801 W. Roosevelt Road, Little Rock, Ark. **Underwriter**—Consolidated Securities, Inc., 2801 W. Roosevelt Road, Little Rock, Ark.

Equitable Leasing Corp.
June 19, 1961 ("Reg. A") 90,000 common shares (par 25 cents) to be offered for subscription by stockholders. **Price**—$2. **Proceeds** — For advertising and promotion, legal and audit fees, and working capital. **Office**—247 Charlotte St., Asheville, N. Y. **Underwriter**—Courts & Co., Atlanta.

Ets-Hokin & Galvan, Inc. (8/14-18)
June 1, 1961 filed 209,355 common shares, including 100,000 to be sold by the company and 109,355 by stockholders. **Price**—By amendment. **Business**—Installs electrical and electronic systems in missile installations. **Proceeds**—For general corporate purposes. **Office**—551 Mission St., San Francisco, Calif. **Underwriter** — Van Alstyne, Noel & Co., New York (managing).

● **Executive Equipment Corp.**
Aug. 1, 1961 filed 100,000 common shares. **Price** — $4. **Business**—The long-term leasing of automobiles. **Proceeds** — For the purchase of automobiles, establishment of a trucking division and a sales office, and for working capital. **Office** — 790 Northern Blvd., Great Neck, N. Y. **Underwriters**—Reich & Co., and Jacques Coe & Co., New York.

Fairfield Controls, Inc. (8/7)
May 19, 1961 filed 150,000 shares of common stock. **Price**—$1 per share. **Business**—The manufacture of electronic solid state power controls designed by the company's engineers from specifications supplied by customers. **Proceeds**—For equipment, repayment of a loan, inventory, advertising and working capital. **Office**—114 Manhattan Street, Stamford, Conn. **Underwriters**—Globus, Inc., and Lieberbaum & Co., both of New York City.

Fairmount Chemical Co., Inc.
June 28, 1961 filed 150,000 common shares of which 125,000 shares are to be offered by the company and 25,000 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of chemicals. **Proceeds**—For purchase of equipment and the repayment of loans. **Office**—117 Blanchard Street, Newark, N. J. **Underwriter**—Andresen & Co., New York.

● **Faradyne Electronics Corp.**
Jan. 30, 1961 filed $2,000,000 of 6% convertible subordinated debentures. **Price**—100% of principal amount. **Business**—The company is engaged in the manufacture and distribution of high reliability materials and basic electronic components, including dielectric and electrolytic capacitors and precision tungsten wire forms. **Proceeds**—For the payment of debts and for woorking capital. **Office**—471 Cortlandt Street, Belleville, N. J. **Underwriter**—S. D. Fuller Co. **Note**—July 11, the SEC instituted "Stop Order" proceedings challenging the accuracy and adequacy of this statement. A hearing on the matter will be held Aug. 14. **Offering**—Expected in late Aug.

Fashion Homes Inc.
July 18, 1961 filed $600,000 of subordinated debentures due 1971; 100,000 common shares and 100,000 five-year warrants (exercisable at from $4 to $8 per share) to be offered for public sale in units of one $60 debenture, 10 common shares and 10 warrants. The registration also covers 40,800 common shares. **Price**—$100 per unit, and $6 per share. **Business**—The construction of shell homes. **Proceeds**—For redemption of 8% debentures; advances to company's subsidiary; repayment of loans; advertising and promotion, and other corporate purposes. **Office**—1711 N. Glenstone, Springfield, Mo. **Underwriters** — Globus, Inc. and Ross, Lyon & Co., Inc., New York.

Federal Factors, Inc. (8/10)
May 8, 1961 filed $700,000 of 6½% convertible subordinated debentures due 1976 and 70,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—A finance company. **Proceeds**—To repay loans, and for working capital. **Office**—400 S. Beverly Drive, Beverly Hills, Calif. **Underwriters**—Thomas Jay, Winston & Co., Beverly Hills, Calif.; Maltz, Greenwald & Co. and Globus, Inc., New York, N. Y.

Federal Manufacturing & Engineering Corp.
June 30, 1961 filed 535,002 common shares of which 92,782 shares will be offered for subscription by stockholders on basis of 1 new share for each 5 shares held, and 92,782 shares offered for subscription by stockholders of Victoreen Instrument Co., parent firm, on the basis of one new share for each Victoreen share held. **Proceeds**—For the repayment of bank loans and other corporate purposes. **Office**—1055 Stewart Ave., Garden City, N. Y. **Underwriter**—None.

Federal Tool & Manufacturing Co.
June 12, 1961 filed 300,000 outstanding common shares. **Price** — $5. **Business**—The manufacture of short-term stampings out of metals. **Proceeds**—For the selling stockholders. **Office**—3600 Alabama Ave., Minneapolis. **Underwriter**—Jamieson & Co., Minneapolis.

★ **Fibercraft Products Corp.**
July 13, 1961 ("Reg. A") 240,000 common shares (par 10 cents). **Price**—$1.25. **Proceeds**—For salaries, repayment of loans and working capital. **Office**—1820 N. E. 146th St., North Miami, Fla. **Underwriter**—None.

● **Fifth Dimension Inc. (8/4)**
May 25, 1961 filed 60,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The design, development, manufacture and sale of precision instruments for measurement and control applications. **Proceeds** — For research and new product development. **Office**—P. O. Box 483, Princeton, N. J. **Underwriter**—Milton D. Blauner & Co., Inc., New York (managing).

First Mortgage Fund
June 12, 1961 filed 1,000,000 shares of beneficial interests. **Price** — $15. **Business** — A real estate investment trust. **Proceeds**—For investment. **Office**—30 Federal St., Boston. **Underwriter**—Shearson, Hammill & Co., N. Y. **Offering**—Expected in September.

First National Real Estate Trust
June 6, 1961 filed 1,000,000 shares of beneficial interest in the Trust. **Price**—By amendment. **Business**—Real estate investment. **Office**—15 William St., New York. **Distributor**—Aberdeen Investors Program, Inc., New York.

First Surety Corp. (8/4)
May 31, 1961 filed 754,730 outstanding shares of capital stock to be offered for sale by stockholders. **Price**—By amendment. **Business**—The company owns Surety Savings & Loan Association, a California corporation; operates an insuranec agency, and acts as a trustee under deeds of trust. **Office**—237 Olive Ave., Burbank, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis (managing).

Fischbach & Moore, Inc.
June 29, 1961 filed 50,000 outstanding common shares. **Price**—By amendment. **Business**—Electrical contracting on office buildings, industrial plants and missile, radar and power plant installations. **Proceeds**—For the selling stockholders. **Office** — 545 Madison Ave., New York. **Underwriter**—Allen & Co., New York (managing).

Flato Realty Fund (8/21)
April 21, 1961 filed 2,000,000 shares of participation in the Fund. **Price**—$10 per share. **Business**—A new real estate investment trust. **Proceeds** — For investment. **Office**—Highway 44 and Baldwin Blvd., Corpus Christi, Texas. **Distributor**—Flato, Bean & Co., Corpus Christi.

Flora Mir Candy Corp.
May 24, 1961 (letter of notification) 85,700 shares of common stock (par 10 cents). **Price**—$3.50 per share. **Business**—The manufacture of candy products. **Proceeds**

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—For repayment of loans; working capital, and expansion. **Office**—1717 Broadway, Brooklyn, N. Y. **Underwriters**—Security Options Corp.; Jacey Securities Co. and Planned Investing Corp. all of New York City.

Florida Capital Corp.
June 23, 1961 filed 488,332 common shares to be offered for subscription by stockholders on the basis of one new share for each two shares held. **Price**—By amendment. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—396 Royal Palm Way, Palm Beach, Fla. **Underwriter**—A. C. Allyn & Co., New York (managing).

Foamland U. S. A., Inc.
June 22, 1961 filed 150,000 common shares, of which 90,000 shares are to be offered by the company and 60,000 shares by the stockholders. **Price**—$5. **Business**—The manufacture and retail sale of household furniture. **Proceeds**—For acquisition of new stores, development of new furniture items, working capital and other corporate purposes. **Office** — Cherry Valley Terminal Road, West Hempstead, N. Y. **Underwriter** — Fialkov & Co., Inc., New York (managing). **Offering**—Expected in early September.

Fotochrome Inc.
June 29, 1961 filed $3,500,000 of convertible subordinated debentures due 1981 and 262,500 outstanding common shares. The debentures are to be offered by the company and the stock by stockholders. **Price** — By amendment. **Business** — The processing of photographic films; the wholesaling of photographic supplies and the development and sale of film processing. **Proceeds** — For construction of a new plant, purchase of equipment, moving expenses and for other corporate purposes. **Office**—1874 Washington Ave., New York. **Underwriters**—Shearson, Hammill & Co., and Emanuel, Deetjen & Co., New York. **Offering**—Expected in September.

● **Fox-Stanley Photo Products, Inc. (8/15)**
March 29, 1961 filed 387,500 shares of common stock (par $1) of which 50,000 shares are to be offered for public sale by the company and 337,500 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—In May 1961 the company plans to take over the businesses of The Fox Co., San Antonio, Tex., and the Stanley Photo Service, Inc., St. Louis, Mo., which are now engaged in the processing of photographic films and the sale of photographic equipment. **Proceeds**—For working capital and possible future acquisitions. **Office**—1734 Broadway, San Antonio, Tex. **Underwriter**—Equitable Securities Corp., Nashville, Tenn.

Frontier Airlines, Inc. (8/21)
March 16, 1961 filed 250,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The transportation by air of passengers, property and mail between 66 cities in 11 states. **Proceeds**—For the selling stockholders. **Office** — 5900 E. 39th Ave., Denver, Colo. **Underwriter**—To be named.

G-W Ameritronics, Inc. (8/21)
Jan. 25, 1961 filed 80,000 shares of common stock and 160,000 warrants to purchase a like number of common shares, to be offered for public sale in units, each consisting of one share of common stock and two warrants. Each warrant will entitle the holder thereof to purchase one share of common stock at $2 per share from March to August 1961 and at $3 per share from September 1962 to February 1964. **Price** — $4 per unit. **Business** — The company (formerly Gar Wood Philadelphia Truck Equipment, Inc.), distributes, sells, services and installs Gar Wood truck bodies and equipment in Pennsylvania, Delaware, and New Jersey, under an exclusive franchise. **Proceeds** — For general corporate purposes. **Office**—Kensington and Sedgley Avenues, Philadelphia, Pa. **Underwriter**—Fraser & Co., Inc., Philadelphia, Pa. **Note**—This company plans to change its name to G-W Industries.

Garan Inc. (8/14)
May 29, 1961 filed 120,000 shares of common stock. **Price**—$6.50 per share. **Business**—The manufacture of men's and boys' sport shirts. **Proceeds**—To equip a new plant at Lambert, Miss., and for working capital. **Office**—112 W. 34th Street, New York City. **Underwriter**—J. R. Williston & Beane, New York City (managing).

Gatlinburg Ski Corp.
July 14, 1961 ("Reg. A") 145,000 common shares (par $1). **Price**—$2. **Proceeds**—For development of a ski resort. **Address** — Gatlinburg, Tenn. **Underwriters** — Cumberland Securities Corp., Nashville, and Davidson & Co., Inc., Knoxville, Tenn.

General Life Insurance Corp. of Wisconsin
June 16, 1961 filed 348,400 common shares to be offered for subscription by stockholders on the basis of one new share for each two and one-half shares held. **Price**—By amendment. **Proceeds**—For expansion and other corporate purposes. **Office**—8500 W. Capitol Drive, Milwaukee. **Underwriter**—Piper, Jaffray & Hopwood, Minneapolis (managing).

General Photos, Inc.
June 30, 1961 ("Reg. A") 100,000 common shares (par 50 cents). **Price**—By amendment. **Proceeds**—For new equipment, purchase of stock and working capital. **Office** — 130 N. Wells St., Chicago, Ill. **Underwriter** — Divine & Fishman, Inc., 134 S. La Salle St., Chicago, Ill.

General Plastics Corp.
June 20, 1961 ("Reg. A") 60,000 common shares (par $1). **Price**—$5. **Proceeds**—For repayment of loans, inventory, equipment and working capital. **Office**—12414 Exposition Blvd., West Los Angeles, Calif. **Underwriters**—Pacific Coast Securities Co. and Sellgren, Miller & Co., San Francisco.

★ **General Public Service Corp.**
July 26, 1961 filed 3,947,795 common shares to be offered for subscription by stockholders on the basis of one new share for each two shares held. **Price**—By amendment. **Business**—A closed-end investment company. **Proceeds**—For investment. **Office**—90 Broad St., New York. **Underwriter** — Stone & Webster Securities Corp., New York (managing).

General Spray Service, Inc.
June 23, 1961 filed 90,000 class A common shares and warrants to purchase 90,000 class A common shares to be offered in units, each unit consisting of one class A share and one two-year warrant. **Price**—$3.50 per unit. **Business** — The manufacture of a spraying machine. **Office**—156 Katonah Ave., Katonah, N. Y. **Underwriter**—Ross, Lyon & Co., Inc., New York (managing).

● **Geoscience Instrument Corp.**
June 22, 1961 ("Reg. A") 125,000 common shares (par one cent). **Price**—$1.25. **Business**—Preparation of minerals and metals for the electronic, metallurgical and geoscientific industries. **Proceeds** — For repayment of loans, purchase of equipment, expansion, working capital and other corporate purposes. **Office**—110-116 Beekman St., New York. **Underwriter** — First Philadelphia Corp., and Globus, Inc., New York.

Gerber Scientific Instrument Co.
July 14, 1961 filed 78,000 common shares, of which 60,000 shares are to be offered by the company and 18,000 shares by the stockholders. **Price** — By amendment. **Business** — The manufacture of scientific instruments. **Proceeds**—For repayment of loans, expansion and working capital. **Office**—140 Van Block Ave., Hartford, Conn. **Underwriter**—Estabrook & Co., Boston, Mass.

Gilbert Youth Research, Inc.
May 29, 1961 filed 65,000 shares of common stock, of which 50,000 shares are to be offered for public sale by the company and 15,000 outstanding shares by the present stockholder. **Price**—To be supplied by amendment. **Business** — The company conducts consumer research, does telephone sales promotion and prepares articles and books which are related to or relate to merchandising advice to the teenage youth and student fields. **Proceeds**—For working capital. **Office**—205 E. 42nd Street, New York City. **Underwriter**—McDonnell & Co., N. Y.

Girder Process, Inc.
July 21, 1961 filed 80,000 class A common shares. **Price**—$5.25. **Business**—The manufacture of adhesive bonding films and related products. **Proceeds**—For acquisition of a new plant, purchase and construction of new machinery and equipment, research and laboratory product development, sales program, advertising, working capital and other corporate purposes. **Office**—102 Hobart Street, Hackensack, N. J. **Underwriter**—Winslow, Cohu & Stetson, New York (managing).

★ **Glenn Pacific Corp.**
July 27, 1961 filed 80,000 common shares. **Price**—$5. **Business**—The manufacture of power supplies for arc welding equipment. **Proceeds**—For repayment of a loan and working capital. **Office**—703—37th Ave., Oakland. **Underwriter**—Birr & Co., Inc., San Francisco.

★ **Globe Coliseum, Inc.**
July 21, 1961 ("Reg. A") 300,000 common shares. **Price**—At par ($1). **Proceeds**—For construction of a coliseum building, furnishings and incidental expenses. **Address**—Cody, Wyo. **Underwriter**—Northwest Investors Service, Inc., Billings, Mont.

Gloray Knitting Mills, Inc. (8/28-9/1)
June 30, 1961 filed 125,000 common shares. **Price**—By amendment. **Business** — The manufacture of boys and mens' knitted sweaters. **Proceeds**—For general corporate purposes. **Office**—Robesonia, Pa. **Underwriter**—Shields & Co., New York (managing).

Gordon (I.) Realty Corp.
June 20, 1961 filed 320,000 common shares. **Price**—$5. **Business**—Real estate investment. **Proceeds**—For general corporate purposes. **Office** — 112 Powers Bldg., Rochester, N. Y. **Underwriter**—George D. B. Bonbright & Co., Rochester, N. Y.

Greene (M. J.) Co. (8/8)
June 14, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price**—$4. **Proceeds** — For expansion, and working capital. **Office**—14 Wood St., Pittsburgh. **Underwriter**—Hess, Grant & Remington, Inc., Philadelphia.

Growth, Inc.
May 17, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Address**—Lynn, Mass. **Underwriter**—Mann & Creesy, Salem, Mass.

● **Growth Properties**
May 9, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company plans to engage in all phases of the real estate business. **Proceeds** — To reduce indebtedness, construct apartment units, buy land, and for working capital. **Office**—Suite 418, Albert Bldg., San Rafael, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco. Calif. (managing). **Offering**—Expected sometime in August.

● **Gulf-Southwest Capital Corp. (8/8)**
May 19, 1961 filed 1,250,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The company is licensed as a small business investment concern. **Proceeds**—For investment. **Office**—Esperson Building, Houston, Texas. **Underwriters**—Harriman Ripley & Co., New York City and Underwood, Neuhaus & Co., Inc., Houston (managing).

● **Gyrodyne Co. of America, Inc. (9/22)**
July 13, 1961 filed $1,500,000 of convertible subordinated debentures due 1976 (with attached warrants) and 90,000 common shares to be offered in 30,000 units each consisting of $50 of debentures (with warrants) and three common shares. **Price**—By amendment. **Business**—The manufacture of helicopters. **Proceeds**—For redemption of preferred stock, construction, purchase of machinery and equipment, furniture and fixtures and working capital. **Office**—St. James, L. I., N. Y. **Underwriter**—Harriman Ripley & Co., New York (managing).

★ **Hampton Sales Co., Inc.**
July 27, 1961 filed 150,000 common shares. **Price**—$4. **Business**—The operation of real discount stores. **Proceeds**—For repayment of bank loans and working capital. **Office** — 80-00 Cooper Ave., Glendale, L. I. (Queens) N. Y. **Underwriter**—Godfrey, Hamilton, Magnus & Co., Inc., New York.

★ **Happy House, Inc.**
July 28, 1961 filed 700,000 common shares . **Price**—$1. **Business**—The marketing of gifts, candies and greeting cards through franchised dealers. **Proceeds**—For equipment, inventory and working capital. **Office**—11 Tenth Ave., S., Hopkins, Minn. **Underwriter**—None.

Harn Corp. (8/28-9/1)
June 20, 1961 filed 150,000 common shares of which an undisclosed number will be offered by the company for subscription by stockholders and the balance (amounting to $300,000 after underwriting commissions) by a stockholder. **Price**—By amendment. **Business**—The manufacture of products for baby care such as quilts, pillows, knitted garments, etc. **Proceeds**—For the repayment of loans, purchase of raw materials and equipment, leasehold improvements, and working capital. **Office**—1800 E. 38th St., Cleveland. **Underwriter**—J. R. Williston & Beane, New York (managing).

Harper (H. M.) Co. (8/10)
June 15, 1961 filed 180,000 common shares (par $1) of which 150,000 shares will be sold by the company and 30,000 shares by stockholder. **Price** — By amendment. **Business**—The manufacture of stainless steel and nonferrous corrosion resistant fasteners and parts. **Proceeds**—For working capital. **Office**—8200 Lehigh Ave., Morton Grove, Ill. **Underwriter** — Blunt Ellis & Simmons, Chicago.

● **Hexagon Laboratories, Inc.**
July 20, 1961 filed $540,000 of 6% convertible subordinated debentures due 1976 and 90,000 common shares to be offered in units consisting of $300 of debentures and 50 common shares. **Price**—$500 per unit. **Business**—The manufacture of medicinal chemicals. **Proceeds**—For equipment, expansion, repayment of loans and working capital. **Office**—3536 Peartree Avenue, New York. **Underwriter**—Stearns & Co., New York (managing).

★ **Hi-Shear Corp.**
Aug. 1, 1961 filed 139,500 common shares, of which 105,000 will be sold by the company and 34,500 by stockholders. **Price**—By amendment. **Business**—The manufacture of high strength fastening devices and assembly systems for the aircraft and missile industries. **Proceeds**—For construction, repayment of loans and other corporate purposes. **Office** — 2600 W. 247th St., Torrance, Calif. **Underwriter**—William R. Staats & Co., Los Angeles.

Hilco Homes Corp.
June 30, 1961 filed $650,000 of 6½% convertible subordinated debentures due 1979 and 195,000 common shares to be offered for public sale in 6,500 units, each consisting of one $100 debenture and 30 common shares. **Price**—By amendment. **Business**—The manufacture of pre-cut homes and components in the heating, plumbing and kitchen equipment fields. **Proceeds**—To organize a new finance subsidiary, for plant expansion, and for working capital. **Office**—70th St., and Essington Ave., Philadelphia. **Underwriter**—Rambo, Close & Kerner, Inc. Philadelphia.

Hoffman International Corp.
July 18, 1961 filed $1,890,700 7% convertible subordinated debentures due 1973 to be offered for subscription by stockholders on the basis of $100 of debentures for each 25 shares held. **Price**—At par. **Business**—The manufacture of pressing and dry-cleaning equipment. **Proceeds**—For repayment of loans and general corporate purposes. **Office**—107 Fourth Ave., New York. **Underwriter**—J. R. Williston & Beane, New York.

★ **Hogan Faximile Corp.**
July 26, 1961 filed 300,000 common shares. **Price** — By amendment. **Business**—The manufacture of electrolytic recording paper and equipment. **Proceeds**—For repayment of debt and working capital. **Office**—635 Greenwich St., New York. **Underwriter**—William R. Staats & Co., Los Angeles (managing).

★ **Holly Stores, Inc.**
July 28, 1961 filed 175,000 common shares, of which 100,000 shares are to be offered by the company and 75,000 shares by the stockholders. **Price**—By amendment. **Business**—The operation of a chain of women's and children's apparel stores. **Proceeds**—For land purchase, inventory and general corporate purposes. **Office**—115 Fifth Ave., New York. **Underwriter**—Allen & Co., New York (managing).

Houston Corp.
June 9, 1961 filed 583,334 common shares to be offered for subscription by holders of common and class A stock. **Price**—By amendment. **Business** — The operation of a pipe line system of natural gas. **Proceeds**—For expansion, working capital and general corporate purposes. **Office**—First Federal Bldg., St. Petersburg, Fla. **Underwriters**—Blyth & Co., Inc., Lehman Brothers and Allen & Co., New York. **Offering**—Expected in late August.

Howe Plastics & Chemical Companies, Inc.
March 29, 1961 (letter of notification) 40,000 shares of common stock (par one cent). **Price**—At-the-market. **Business**—The manufacture of plastic items. **Proceeds**—For the repayment of debt; advertising and sales promotion; expansion and working capital. **Office**—4077 Park Avenue, Bronx 57, N. Y. **Underwriter**—J. I. Magaril & Co., New York, N. Y. **Note**—J. I. Magaril & Co. was withdrawn as underwriter.

● I C Inc.
June 29, 1960 filed 600,000 shares of com. stock (par $1) **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Building, Denver, Colo. **Underwriter**—Industrial Securities Corp., Denver, Colo. **Note**—This registration was withdrawn July 31.

Ihnen (Edward H.) & Son, Inc. (9/5-8)
May 16, 1961 filed 75,000 shares of common stock. **Price**—$5 per share. **Business**—The construction of public and private swimming pools and the sale of pool equipment. **Proceeds**—To reduce indebtedness, to buy equipment, and for working capital. **Office**—Montvale, N. J. **Underwriter**—Amos Treat & Co., Inc., New York City.

Illinois Tool Works Inc.
July 12, 1961 filed 100,000 outstanding common shares (par $10). **Price**—By amendment. **Business**—The manufacture of metal and plastic fasteners, gear-cutting tools, measuring instruments, etc. **Proceeds**—For the selling stockholders. **Office**—2501 N. Keeler Ave., Chicago. **Underwriter**—White, Weld & Co., New York (managing). **Offering**—Expected in early September.

● Income Planning Corp. (8/14)
Dec. 29, 1960 (letter of notification) 5,000 shares of cumulative preferred stock (no par) and 10,000 shares of class A common stock (par 10 cents) to be offered in units consisting of one share of preferred and two shares of common. **Price** — $40 per unit. **Proceeds**—To open a new branch office, development of business and for working capital. **Office**—3300 W. Hamilton Boulevard, Allentown, Pa. **Underwriter**—Espy & Wanderer, Inc., Teaneck, N. J.

Industrial Electronic Hardware Corp.
June 29, 1961 filed $1,000,000 of 6% convertible subordinated debentures due Aug. 1, 1976 to be offered by the company and 25,000 outstanding common shares by the stockholders (par 50c). **Price**—For debentures—100%; For stock—By amendment. **Business**—The manufacture of basic component parts for the electrical and electronic equipment industry. **Proceeds**—For expansion, inventory, introduction of new products and general corporate purposes. **Office**—109 Prince Street, New York. **Underwriter**—S. D. Fuller & Co., New York (managing). **Offering**—In early September.

Industrial Gauge & Instrument Co., Inc. (8/16)
June 28, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price** — $3. **Business** — The sale of industrial gauges, valves and allied products. **Proceeds**—For production, inventory, working capital and repayment of loans. **Office**—1403 E. 180th St., New York 69, N. Y. **Underwriter**—R. F. Dowd & Co., Inc., New York.

Industrial Materials, Inc.
April 27, 1961 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Business**—The manufacture of a new patented fiber glass material to be used in rocket motor cases. **Proceeds**—For expenses, equipment and working capital. **Office**—1025 Shoreham Bldg., Washington, D. C. **Underwriter**—Atlantic Equities Co., Washington, D. C.

★ Industrionics Controls, Inc.
July 26, 1961 filed 84,000 common shares. **Price** — $5. **Business**—The manufacture of electronic controls for the monitoring of machinery. **Proceeds**—For repayment of a loan, purchase of raw material and equipment, advertising, establishment of a field engineering service organization and other corporate purposes. **Office**—20 Vandam St., New York. **Underwriter**—Jacey Securities Co., New York (managing).

Industry Fund of America, Inc.
July 10, 1961 filed 740,000 common capital shares. **Price**—Net asset value plus a sales charge of up to 8½%. **Business** — A mutual fund. **Proceeds** — For investment. **Office**—400 Utah Savings Bldg., Salt Lake City. **Underwriter**—None.

★ Inland Investment, Inc.
July 17, 1961 ("Reg. A") 300,000 common shares (par 50 cents). **Price**—$1. **Proceeds**—For general corporate purposes. **Office**—2037 13th St., Boulder, Colo. **Underwriter**—None.

● Instrument Systems Corp.
June 28, 1961 filed 150,000 common shares (par 25 cents). **Price**—$5. **Business**—The manufacture of precision instruments and controls for the aircraft and electronics industries. **Proceeds**—For expansion and working capital. **Office**—129-07 18th Avenue, College Point, N. Y. **Underwriters**—Milton D. Blauner & Co. (managing), M. L. Lee & Co., Inc., Lieberbaum & Co., New York. **Offering**—Expected in late August.

Intercontinental Dynamics Corp. (8/25)
July 18, 1961 ("Reg. A") 200,000 common shares. **Price**—$1.50. **Business**—The manufacture of electronic and electro-mechanical devices used to determine the accuracy of aircraft flight instruments. **Office**—170 Coolidge Avenue, Englewood, N. J. **Underwriter** — M. H. Woodhill Inc., New York.

International Parts Corp.
June 20, 1961 filed 300,000 outstanding class A common shares to be sold by stockholders. **Price**—By amendment. **Business**—The sale of replacement parts for automobiles. **Proceeds**—For the selling stockholders. **Office**—4101 W. 42nd Place, Chicago. **Underwriter** — H. M. Byllesby & Co., Chicago.

● Interstate Bowling Corp.
July 25, 1961 filed 150,000 common shares. **Price**—$3.50. **Business** — The acquisition and operation of bowling centers in Colorado, California and other states. **Proceeds**—For repayment of debts and general corporate purposes. **Office** — 10391 Magnolia Ave., Riverside, Calif. **Underwriter**—Currier & Carlsen, Inc., Los Angeles.

● Interstate Department Stores, Inc.
June 15, 1961 filed $5,859,400 of convertible subordinated debentures due Aug. 1, 1981 being offered for subscription by common stockholders on the basis of $100 of deben. for each 20 shares held of record about Aug. 1 with rights to expire about Aug. 17. **Price** — At par. **Business**—Operation of department stores. **Proceeds**—For expansion, working capital and other corporate purposes. **Office**—111 Eighth Ave., New York. **Underwriters**—Lehman Brothers and Shearson, Hammill & Co., New York (managing).

Irvan Ferromagnetics Corp. (8/30)
July 6, 1961 ("Reg. A") 40,000 common shares (par 50 cents). **Price**—$5. **Proceeds**—For production equipment, repayment of loans and research. **Office**—13856 Saticoy St., Van Nuys, Calif. **Underwriters**—Thomas Jay, Winston & Co., Inc., Beverly Hills, Calif. and Maltz, Greenwald & Co., New York.

Irwin (Richard D.), Inc.
July 10, 1961 filed 160,000 common shares of which 35,000 shares are to be offered by the company and 125,000 by stockholders. **Price**—By amendment. **Business**—The publishing of textbooks on business and economic subjects. **Proceeds** — For working capital and general corporate purposes. **Office**—1818 Ridge Road, Homewood, Ill. **Underwriter**—A. G. Becker & Co., Inc., New York (managing).

Israel-America Hotels, Ltd.
June 8, 1961 filed 1,250,000 ordinary shares. **Price**—$1 per share, payable in cash or State of Israel bonds. **Business**—The operation of hotels. **Proceeds**—For construction and operation of a hotel at Herzlia, Israel. **Address**—Tel Aviv, Israel. **Underwriter**—Brager & Co., New York.

★ Israel Investors Corp.
July 26, 1961 filed 100,000 common shares. **Price**—$104. **Business**—An investment company formed to invest in Israeli enterprises. **Proceeds**—For investment. **Office**—350 Broadway, New York. **Underwriter**—None.

Ivest Fund, Inc.
Feb. 20, 1961 filed 150,000 shares of common stock. **Price**—Net asset value at the time of the offering. **Business** — A non-diversified, open-end investment company, whose stated objective is capital appreciation. **Proceeds**—For investment. **Office** — One State Street, Boston. **Underwriter**—Ivest, Inc., One State Street, Boston. **Offering**—Expected in September.

● Jaymax Precision Products, Inc. (8/7)
July 5, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price**—$4. **Proceeds**—For construction, purchase of equipment, inventory and working capital. **Office**—15 Broad St., New York. **Underwriter**—Armstrong & Co., Inc., New York.

● Jefferson Counsel Corp.
March 13, 1961 filed 30,000 shares of class B common stock (non-voting). **Price**—$10 per share. **Business**—The company was organized under Delaware law in January 1961 to sponsor the organization of the Jefferson Growth Fund, Inc., a new open-end diversified investment company of the management type. **Proceeds**—For organizational and operating expenses. **Office**—52 Wall St., New York City. **Underwriter**—None.

Jefferson Growth Fund, Inc.
July 11, 1961 filed 1,000,000 shares of capital stock. **Price**—Net asset value plus 8½% sales commission. **Business**—A mutual fund. **Proceeds**—For investment. **Office**—52 Wall St., New York. **Underwriter**—Jefferson Distributors Corp., New York.

Jolyn Electronic Manufacturing Corp. (8/30)
April 24, 1961 (letter of notification) 65,500 shares of common stock (par one cent). **Price** — $3 per share. **Business**—The manufacture of machine tool products, drift meters, sextants and related items. **Proceeds**—For repayment of a loan, working capital, and general corporate purposes. **Office**—Urban Avenue, Westbury, L. I., N. Y. **Underwriter**—Kerns, Bennett & Co., Inc., New York, N. Y.

Kane-Miller Corp. (8/14-18)
May 17, 1961 filed 120,000 shares of common stock. **Price**—$5 per share. **Business**—The company is a wholesaler and distributor of grocery products to institutions, restaurants, steamship lines and the like. **Proceeds**—For inventory, and working capital. **Office** — 81 Clinton Street, Yonkers, N. Y. **Underwriters**—Netherlands Securities Co., Inc., and Seymour Blauner Co., both of New York City and J. J. Bruno & Co., Pittsburgh, Pa.

Keller Corp.
June 29, 1961 filed $1,200,000 of 6½% convertible subordinated debentures due 1968. **Price**—At 100%. **Business**—The development of land, construction of homes and related activities in Florida. **Proceeds**—For repayment of debt, acquisition of Yetter Homes, Inc., and general corporate purposes. **Office**—101 Bradley Place, Palm Beach, Fla. **Underwriter**—Casper Rogers & Co., Inc., New York (managing).

Kent Washington, Inc.
July 19, 1961 filed 200,000 common shares. **Price**—$5. **Business**—General real estate. **Proceeds**—For repayment of loans, working capital, construction and other corporate purposes. **Office**—1420 K Street, N. W., Washington, D. C. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

King's Department Stores, Inc. (9/13)
July 12, 1961 filed 500,000 common shares (par $1) of which 250,000 shares are to be offered by the company and 250,000 shares by the stockholders. **Price** — By amendment. **Proceeds**—For expansion. **Office**—910 Commonwealth Ave., Boston, Mass. **Underwriter**—Shearson, Hammill & Co., New York (managing).

King's Office Supplies & Equipment, Inc.
July 5, 1961 ("Reg. A") 65,000 common shares (par $1). **Price**—$2. **Proceeds**—For inventory and working capital. **Office**—515-5th St., Santa Rosa, Calif. **Underwriter** — Pacific Coast Securities Co., San Francisco.

Kirk (C. F.) Laboratories, Inc. (8/16)
June 16, 1961 filed 100,000 common shares. **Price**—By amendment. **Business**—The manufacture of pharmaceuticals. **Proceeds**—For repayment of a loan, purchase and installation of equipment, development and promotion of new products and for working capital. **Office**—521 W. 23rd Street, New York. **Underwriter**—Hill, Darlington & Grimm, New York (managing).

Kleber Laboratories, Inc.
July 17, 1961 ("Reg. A") 150,000 common shares (par two cents). **Price** — $2. **Proceeds** — For repayment of debt, equipment, research and development, and working capital. **Office**—215 S. La Cienga Boulevard, Beverly Hills, Calif. **Underwriter**—D. E. Liederman & Co., Inc., New York.

★ Kroneld (Phil), Inc.
July 28, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price**—$4. **Business**—The operation of men's retail stores. **Proceeds**—For a new store, working capital and general corporate purposes. **Office** — 201 W. 49th Street, New York. **Underwriter**—Kerns, Bennett & Co., Inc., New York.

Krystinel Corp. (8/7)
April 12, 1961 filed 90,000 shares of class A stock. **Price**—$2.50 per share. **Business**—The company produces ferrites, which are ceramic-like materials with magnetic properties, and conducts a research and development program for ferrite products. **Proceeds**—For the repayment of a loan, research and development, new equipment and working capital. **Office**—P. O. Box 6, Fox Island Road, Port Chester, N. Y. **Underwriters**—Ross, Lyon & Co., Inc., and Schrijver & Co., both of New York City.

★ L. L. Drug Co., Inc.
July 26, 1961 filed 100,000 common shares. **Price**—$4.50. **Business** — The manufacture or pharmaceuticals. **Proceeds**—For repayment of a loan, purchase of equipment, research and development, advertising and working capital. **Office**—1 Bala Ave., Bala-Cynwyd, Pa. **Underwriter**—Stevens Investment Co., Bala-Cynwyd, Pa.

● Lafayette Realty Co. (8/7)
April 28, 1961 filed 129.3 limited partnership interests. **Price**—$5,000 per interest. **Business**—The partnership owns a contract to purchase the fee title to the Lafayette Building in Detroit, Mich. **Proceeds**—To purchase the above property. **Office**—18 E. 41st Street, New York City. **Underwriter**—Tenney Securities Corp., 18 E. 41st Street, New York City.

Laurel Oak Corp.
July 20, 1961 ("Reg. A") 5,260 class A common shares (par 25 cents); and 1,000 class B common shares (no par). **Price**—$25. **Business**—The operation of golf and recreational facilities. **Proceeds**—For repayment of loans, construction, equipment, landscaping, etc. **Office**—120 Kings Highway W., Haddonfield, N. J. **Underwriter** — Butcher & Sherrerd, Philadelphia.

Leader Durst Tri-State Co.
July 21, 1961 filed $2,015,750 of limited partnership interests. **Price** — $5,000 per interest. **Business** — A real estate investment company. **Proceeds**—For investment. **Office**—41 E. 42nd Street, New York. **Underwriter**—None.

Lease Plan International Corp. (8/14-18)
June 14, 1961 filed 125,000 common shares, of which 40,000 shares are to be offered by the company and 85,000 shares by stockholders. **Price**—By amendment. **Business**—The leasing of trucks and cars. **Proceeds**—To repay loans and for working capital. **Office**—9 Chelsea Place, Great Neck, N. Y. **Underwriter**—Hayden, Stone & Co., New York (managing).

Lee Filter Corp.
July 7, 1961 ("Reg. A") 1,334 capital shares (par $1). **Price**—$7.25. **Business**—The manufacture of air, oil and gasoline filters for vehicles. **Proceeds**—For the selling stockholders. **Office**—191 Talmadge Road, Edison, N. J. Underwriter—Omega Securities Corp., New York (managing).

Lewis & Clark Marina, Inc.
May 9, 1961 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Address**—Yankton, S. D. **Underwriter** — The Apache Investment Planning Division of the Apache Corp., Minneapolis.

Lewis (Tillie) Foods, Inc. (8/28-9/8)
July 3, 1961 filed 400,000 common shares (par $1), of which 200,000 shares are to be offered by the company and 200,000 shares by stockholders. **Price**—By amendment. **Business**—The processing, canning, bottling and selling of fruits and vegetables. **Proceeds**—For repayment of debt and working capital. **Office**—Fresno Ave. & Charter Way, Stockton, Calif. **Underwriter**—Van Alstyne, Noel & Co., New York (managing).

Liberty Real Estate Trust of Florida
June 30, 1961 filed 2,500,000 shares of beneficial interest in the Trust to be offered in exchange for real property, interests in real property and mortgages on property in Florida. **Price**—$10 per share. **Office**—1230 N. Palm Ave., Sarasota, Fla. **Underwriter** — Liberty Securities Corp., Sarasota, Fla.

Lincoln Fund, Inc.
March 30, 1961 filed 951,799 shares of common stock. **Price** — Net asset value plus a 7% selling commission. **Business** — A non-diversified, open-end, management-

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type investment company whose primary investment objective is capital appreciation and, secondary, income derived from the sale of put and call options. **Proceeds**—For investment. **Office**—300 Main St., New Britain, Conn. **Distributor**—Horizon Management Corp., New York.

★ Loew's Companies, Inc.
July 28, 1961 filed 431,382 common shares. **Price** — By amendment. **Business**—The retail and wholesale distribution of building supplies, household fixtures and appliances, etc. **Proceeds** — For the selling stockholders. **Address**—North Wilkesboro, N. C. **Underwriter**—G. H. Walker & Co., Inc., New York (managing).

Long Falls Realty Co.
July 21, 1961 filed $1,708,500 of limited partnership interests. **Price**—$5,000 per interest. **Business**—General real estate. **Proceeds**—For investment. **Office**—18 E. 41st Street, New York. **Underwriter** — Tenney Securities Corp., New York.

Long Island Bowling Enterprises, Inc. (8/14-18)
May 24, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The operation of bowling alleys. **Proceeds**—For general corporate purposes. **Address**—Mattituck, L. I., N. Y. **Underwriter**—Trinity Securities Corp., New York City.

★ Lortogs, Inc.
July 26, 1961 filed 200,000 common shares, of which 150,000 shares are to be offered by the company and 50,000 shares by the stockholders. **Price**—$6.50. **Business**—The manufacture of children's sportswear. **Proceeds**—For repayment of loans; inventories; new products; working capital, and general corporate purposes. **Office**—85 Tenth Ave., New York. **Underwriter**—Teich & Co., New York (managing).

Lytton Financial Corp. (8/18)
March 30, 1961 filed 300,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The company owns the stocks of several California savings and loan associations. It also operates an insurance agency, and through a subsidiary, Title Acceptance Corp., acts as trustee under trust deeds securing loans made by the associations. **Proceeds**—To repay loans and for working capital. **Office** — 8150 Sunset Boulevard, Hollywood, Calif. **Underwriters**—William R. Staats & Co., Los Angeles and Shearson, Hammill & Co., New York City (managing).

MPO Videotronics, Inc. (8/28)
June 28, 1961 filed 60,000 common shares. **Price**—By amendment. **Business**—The production of television commercials and motion pictures for industry. **Proceeds**—For expansion. **Office**—15 E. 53rd Street, New York. **Underwriter**—Francis I. duPont & Co., New York (managing).

MacLevy Associates, Inc.
July 20, 1961 ("Reg. A") 150,000 common shares (par one cent). **Price**—$2. **Business**—The distribution of health, exercise and slenderizing equipment. **Proceeds**—For repayment of loans, equipment, new products, sales promotion and advertising, plant removal and working capital. **Office**—189 Lexington Avenue, New York 16, N. Y. **Underwriter**—Continental Bond & Share Corp., Washington, D. C.

★ Mag-Tronics Corp.
July 17, 1961 ("Reg. A") 250,000 common shares (par 10 cents). **Price**—$1.15. **Proceeds**—For inventory, equipment and working capital. **Office**—2419 Hiawatha Ave., Minneapolis. **Underwriter**—Craig-Hallum Kinnard, Inc., Minneapolis.

● Magna Pipe Line Co. Ltd.
June 1, 1961 filed 750,000 common shares, of which 525,000 will be offered for sale in the U. S., and 225,000 in Canada. **Price**—By amendment. **Business**—The company plans to build and operate an underwater natural gas transmission pipeline from British Columbia to Vancover Island and a subsidiary will build a pipeline from Bremerton to Port Angeles, Washington. **Proceeds**—For construction. **Office**—508 Credit Foncier Bldg., Vancouver, B. C. **Underwriters**—(In U. S.) Bear, Stearns & Co., New York. (In Canada) W. C. Pitfield & Co., Ltd., Montreal. **Note**—This registration has been temporarily postponed.

★ Magnetic Metals Co.
July 28, 1961 filed 151,200 common shares. **Price**—By amendment. **Business** — The manufacture of magnetic components used in the electrical and electronics industries. **Proceeds**—For the selling stockholders. **Office**—Hayes Avenue at 21st Street, Camden, N. J. **Underwriter**—Butcher & Sherrerd, Philadelphia (managing).

★ Mammoth Capital Corp.
Aug. 1, 1961 filed 200,000 shares of capital stock. **Price**—$10. **Business** — A small business investment company. **Office**—First National Bank Bldg., Main St., Freehold, N. J. **Underwriter**—Meade & Co., New York.

Marine Structures Corp.
Feb. 1, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds**—To purchase raw materials, advertising and for working capital. **Office**—204 E. Washington St., Petaluma, Calif. **Underwriter**—Grant, Fontaine & Co., Oakland, Calif.

Mark Truck Rental Corp.
June 28, 1961 ("Reg. A") 50,000 common shares (par one cent). **Price**—$1. **Proceeds**—For working capital. **Office**—301 Cliff Ave., Scranton, Pa. **Underwriter**—Vickers Securities Corp., New York.

Marks Polarized Corp.
June 27, 1961 filed 95,000 common shares. **Price** — By amendment. **Proceeds** — For expansion, acquisition of new facilities and other corporate purposes. **Office**—153-16 Tenth Ave., Whitestone, N. Y. **Underwriters**—Ross, Lyon & Co., Inc. (managing), and Globus, Inc., N. Y.

● Marsan Industries, Inc. (8/15)
June 6, 1961 filed 125,000 shares of class A common. **Price**—$4 per share. **Business**—The issuing firm is a holding company for Jersey Packing Co., and a closed circuit television camera manufacturer. **Proceeds**—For the purchase of equipment, research and development, expansion of the Missiltronics Division, advertising, inventory and working capital. **Office** — 136 Orange St., Newark, N. J. **Underwriter**—T. M. Kirsch & Co., New York City. **Note** — This company formerly was named American Missiltronics Corp.

Master Craft Medical & Industrial Corp.
July 10, 1961 filed ("Reg. A") 75,000 common shares. **Price**—$4. **Business**—The manufacture of medical and industrial plastic devices. **Proceeds**—For general corporate purposes. **Office**—95-01 150th Street, Jamaica 35, N. Y. **Underwriter**—Sulco Securities, Inc., N. Y. C.

Medco, Inc.
July 13, 1961 filed 125,000 class A common shares. **Price**—By amendment. **Business**—The operation of jewelry concessions in closed-door membership department stores. **Proceeds**—For expansion. **Office**—1211 Walnut St., Kansas City, Mo. **Underwriters**—Midland Securities Co., Inc. (managing) and Barret, Fitch, North & Co., Inc., Kansas City, Mo.

Merchants Co.
June 19, 1961 ("Reg. A") $300,000 of 6% convertible 15-year subordinated debentures due 1976 to be offered for subscription by stockholders for 14 days in units of $100 each. **Price**—At par. **Proceeds**—For working capital. **Office**—300 E. Pine St., Hattiesburg, Miss. **Underwriter**—Lewis & Co., Jackson, Miss.

Micro-Lectric, Inc.
June 12, 1961 ("Reg. A") 55,000 common shares (par 10 cents). **Price**—$4. **Business**—The manufacture and design of potentiometers used in computers, ground control guidance systems and missiles. **Proceeds**—For tooling and production; repayment of loans; equipment; advertising; research and development and working capital. **Office**—19 Debevoise Avenue, Roosevelt, N. Y. **Underwriter**—Underhill Securities Corp., New York.

★ Micro Precision Corp.
July 28, 1961 ("Reg. A") 100,000 common shares (par 20 cents). **Price**—$3. **Business**—The manufacture of mechanical components. **Proceeds**—For repayment of loans, expansion, sales, advertising and working capital. **Office**—55 Ninth Street, Brooklyn, N. Y. **Underwriter**—Manufacturers Securities Corp., New York.

Microwave Semiconductor & Instruments Inc.
May 12, 1961 filed 120,000 shares of common stock. **Price**—$3 per share. **Business**—The research, development, manufacture and sale of microwave devices and instruments. **Proceeds**—For additional equipment, research, inventory and working capital. **Office** — 116-06 Myrtle Avenue, Richmond Hill, N. Y. **Underwriter** — First Investment Planning Co., Washington, D. C.

★ Middle Atlantic Credit Corp.
July 27, 1961 filed $120,000 of 6½% subordinated debentures due 1971 and 60,000 common shares to be offered in units consisting of $200 of debentures and 100 shares of stock. **Price**—$500 per unit. **Business**—A commercial and industrial finance company. **Proceeds**—For working capital. **Office**—1518 Walnut St., Philadelphia. **Underwriters**—R. L. Sheinman & Co., and A. W. Benkert & Co., Inc., New York.

Middle Atlantic Investment Co.
June 22, 1961 filed 70,000 common shares. **Price**—$10. **Business**—An investment company. **Proceeds**—For investment and working capital. **Address**—Elkins Park, Pa. **Underwriter**—Best & Garey Co., Inc., Washington, D. C.

Midwest Investors Fund, Inc.
July 17, 1961 filed 5,000,000 common shares. **Price**—By amendment. **Business**—A mutual fund. **Proceeds**—For investment. **Office** — 1815 First National Bank Bldg., Minneapolis. **Underwriter** — Midwest Planned Investments, Inc., Minneapolis.

Midwest Technical Development Corp.
July 14, 1961 filed 800,000 common shares. **Price**—By amendment. **Business** — A small business investment company. **Proceeds**—For investment. **Office**—2615 First National Bank Bldg., Minneapolis. **Underwriters** — Lee Higginson Corp., New York and Piper, Jaffray & Hopwood, Minneapolis.

Mill Factors Corp.
May 31, 1961 filed 75,000 common shares. **Price** — By amendment. **Business**—General factoring in the textile and apparel fields. **Proceeds**—For working capital, and the repayment of debt. **Office**—380 Park Ave., South, New York. **Underwriter** — Lee Higginson Corp., New York (managing).

● Miniature Precision Bearing, Inc.
June 16, 1961 filed 105,000 class A common shares of which 50,000 shares are to be offered by the company and 50,000 shares by a stockholder and 5,000 to certain employees. **Price**—By amendment. **Business**—The manufacture of ball bearings. **Proceeds**—For repayment of debt and capital improvements. **Address**—Keene, N. H. **Underwriter**—Tucker, Anthony & R. L. Day, New York (managing). **Note** — This registration was withdrawn July 31.

Minichrome, Inc. (8/30)
June 16, 1961 ("Reg. A") 150,000 common shares (par 15 cents). **Price**—$1.15. **Proceeds**—For film processing machines, machinery installation and working capital. **Office**—980 W. 79th St., Minneapolis, Minn. **Underwriter**—Continental Securities, Inc., Minneapolis, Minn.

● Missile-Tronics Corp.
May 8, 1961 (letter of notification) 151,900 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Business**—The manufacturers of technical equipment. **Proceeds** — For payment of loans; machinery and office equipment; reduction of current liabilities; research and development and working capital. **Office**—245 4th St., Passaic, N. J. **Underwriter** — Hopkins, Calamari & Co., Inc., 26 Broadway, New York, N. Y. **Offering**—Imminent.

Missouri Fidelity Life Insurance Co.
July 14, 1961 filed 200,000 common shares. **Price**—By amendment. **Business**—A life insurance company. **Proceeds**—To be added to capital and surplus accounts. **Office**—4221 Lindell Blvd., St. Louis. **Underwriter**—A. C. Allyn & Co., Chicago (managing).

Missouri Utilities Co.
July 3, 1961 filed 50,676 common shares to be offered for subscription by stockholders on the basis of one new share for each 10 shares held. **Price**—By amendment. **Proceeds**—For repayment of loans and for expansion. **Address**—Cape Girardeau, Mo. **Underwriter**—Edward D. Jones & Co., St. Louis, Mo.

Mite Corp. (8/16)
June 23, 1961 filed 325,000 capital shares. **Price**—By amendment. **Business**—The manufacture of mechanical, electro-mechanical and electronic equipment, including sewing machine attachments, small electric motors, Polaroid Land cameras, etc. **Proceeds**—For equipment, repayment of loans; research, development and engineering and general corporate purposes. **Office**—446 Blake St., New Haven, Conn. **Underwriters**—Kidder, Peabody & Co., New York and Charles W. Scranton & Co., New Haven, Conn. (managing).

Mobile Estates, Inc.
June 27, 1961 filed 140,000 common shares. **Price**—$6. **Proceeds**—To purchase land, construct and develop about 250 mobile home sites, form sales agencies and for working capital. **Office**—26 Dalbert, Carteret, N. J. **Underwriter**—Harry Odzer Co., New York (managing).

● Moderncraft Towel Dispenser Co., Inc. (8/15)
March 30, 1961 filed 80,000 shares of common stock, of which 73,750 shares are to be offered for public sale by the company and 6,250 outstanding shares by the underwriter. **Price**—$4 per share. **Business**—The manufacture and sale of an improved towel dispensing cabinet. **Proceeds**—For advertising, research and development, payment of debt, and working capital. **Office** — 20 Main Street, Belleville, N. J. **Underwriter**—United Planning Corp., Newark, N. J.

● Mohawk Insurance Co. (8/21-25)
Aug. 8, 1960, filed 75,000 shares of class A common stock. **Price**—$12 per share. **Proceeds**—For general funds. **Office**—198 Broadway, New York City. **Underwriter**—R. F. Dowd & Co., Inc., 39 Broadway, New York 6, N. Y.

Mon-Art, Inc.
June 26, 1961 ("Reg. A") 60,000 convertible preferred shares. **Price**—At par ($5). **Business**—The manufacture of mosaic tile kits. **Proceeds**—For retirement of debt, increase of inventory and purchase of equipment. **Office** — 1548 E. Grand Blvd., Detroit. **Underwriter** — Davis, Rowady & Nichols Inc., Detroit.

Mon-Dak Feed Lot, Inc.
July 17, 1961 filed 150,000 common shares. **Price**—$3. **Business**—The breeding of livestock owned by others. **Proceeds**—For drilling of water test wells, purchase of land, construction, general administrative costs and working capital. **Address**—Glendive, Mont. **Underwriter**—Wilson, Ehli, Demos, Bailey & Co., Billings, Mont.

● Monticello Lumber & Mfg. Co., Inc. (8/7)
April 11, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The sale of lumber, building supplies and hardware. **Proceeds**—To repay loans and for working capital. **Address**—Monticello, N. Y. **Underwriter**—J. Laurence & Co., Inc., New York, N. Y.

Mortgage Guaranty Insurance Co. (8/16)
Oct. 17, 1960 filed 155,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—Insuring lenders against loss on residential first mortgage loans, principally on single family non-farm homes. **Proceeds**—For capital and surplus. **Office**—606 West Wisconsin Avenue, Milwaukee, Wis. **Underwriter**—Bache & Co., New York City (managing). **Note**—This stock is not qualified for sale in New York State.

★ Motor Coils Manufacturing Co.
July 27, 1961 filed 100,000 common shares. **Price**—$6.50. **Business**—The manufacture of armature, stator and field coils. **Proceeds**—For repayment of loans, working capital and general corporate purposes. **Office**—110 Thirty-Second St., Pittsburgh. **Underwriter**—Golkin, Bomback & Co., New York.

Municipal Investment Trust Fund, First Pa. Series
April 28, 1961 filed $6,375,000 (6,250 units) of interests. **Price**—To be supplied by amendment. **Business**—The fund will invest in tax-exempt bonds of the Commonwealth of Pennsylvania and its political sub-divisions. **Proceeds**—For investment. **Sponsor**—Ira Haupt & Co., 111 Broadway, New York City. **Offering**—Expected in early September.

Municipal Investment Trust Fund, Series B
April 28, 1961 filed $12,750,000 (12,500 units) of interests. **Price** — To be supplied by amendment. **Business** — The fund will invest in tax-exempt bonds of states, counties, municipalities and territories of the U. S. **Proceeds**—For investment. **Sponsor**—Ira Haupt & Co., 111 Broadway, New York City. **Offering**—Expected in early September.

NAC Charge Plan and Northern Acceptance Corp. (8/21)
June 27, 1961 filed 33,334 class A common shares. **Price**—By amendment. **Proceeds**—For working capital. **Of-**

fice—16 East Pleasant St., Baltimore, Md. **Underwriter** —Sade & Co., Washington, D. C. (managing).

★ Natpac Inc.
July 28, 1961 filed 100,000 common shares. **Price**—$4.75. **Business**—The processing of meat and frozen food products; the financing, sale and servicing of home food freezers, and the operation of a supermarket. **Proceeds** —For consumer time payments, expansion, and working capital. **Office** — 93-25 Rockaway Blvd., Ozone Park, N. Y. **Underwriters**—William, David & Motti, Inc., and Flomenhaft, Seidler & Co., Inc., New York.

National Bowling Lanes, Inc.
July 21, 1961 filed 200,000 capital shares. **Price**—$5.50. **Business**—The operation of bowling centers. **Proceeds**— For expansion, repayment of loans, and working capital. **Office** — 220 S. 16th Street, Philadelphia. **Underwriter**—Edward Lewis & Co., Inc., New York.

National Cleaning Contractors, Inc.
July 19, 1961 filed 200,000 outstanding common shares. **Price** — By amendment. **Business** — The maintenance of commercial buildings. **Proceeds**—For the selling stockholders. **Office**—60 Madison Avenue, New York. **Underwriter**—Bear, Stearns & Co., New York (managing).

National Hospital Supply Co., Inc.
June 22, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The distribtuion of medical supplies. **Proceeds**—For inventory, advertising and promotion, expansion, repayment of loans and working capital. **Office**—38 Park Row, New York. **Underwriters** —Edward Lewis & Co., Inc. and Underhill Securities Corp., New York (co-managers).

National Periodical Publications, Inc.
July 18, 1961 filed 500,000 common shares (par $1). **Price** — By amendment. **Business** — Publishers of magazines and paperback books. **Proceeds**—For the selling stockholders. **Office**—575 Lexington Avenue, New York. **Underwriters** — Shearson, Hammill & Co., New York and Prescott, Shepard & Co., Inc., Cleveland (managing).

National Semiconductor Corp.
May 11, 1961 filed 75,000 shares of capital stock. **Price** —To be supplied by amendment. **Business**—The design, development, manufacture and sale of quality transistors for military and industrial use. **Proceeds** — For new equipment, plant expansion, working capital, and other corporate purposes. **Office**—Mallory Plaza Bldg., Danbury, Conn. **Underwriters** — Lee Higginson Corp., New York City and Piper, Jaffray & Hopwood, Minneapolis (managing).

● Nationwide Homes, Inc. (8/14)
June 12, 1961 filed $1,500,000 of 8% sinking fund convertible subordinated debentures due 1976 and 300,000 common shares to be offered in units, each consisting of $10 of debentures and two common shares. **Price**—By amendment. **Business** — The construction and sale of homes. **Proceeds**—For working capital. **Address**—Collinsville, Va. **Underwriters**—Cruttenden, Podesta & Co., Chicago and McDaniel Lewis & Co., Greensboro, N. C.

★ Nevada Consolidated Mines, Inc.
July 12, 1961 ("Reg. A") 150,000 common shares (par 25 cents). **Price**—$2. **Proceeds**—For expenses incidental to mining operations. **Office**—c/o John M. Bennett, 200 W. 57th St., New York. **Underwriter**—None.

New West Land Corp.
June 30, 1961 ("Reg. A") 200,000 common shares (par $1). **Price**—$1.50. **Proceeds**—For repayment of notes and acquisition of real estate interests. **Office**—3252 Broadway, Kansas City, Mo. **Underwriter** — Barret, Fitch, North & Co., Kansas City, Mo.

Nitrogen Oil Well Service Co. (8/16)
May 22, 1961 filed 100,000 shares of common stock. **Prices**—$10 per share for 51,000 shares to be offered to Big Three Welding Company; $10 per share for not less than 24,500 shares to be offered to holders (other than Big Three) of the outstanding common on the basis of one new share for each 1⅕ shares held; and $10.60 per any unsubscribed shares. **Business**—The company furnishes high pressure nitrogen to the oil and gas industry. **Proceeds**—For general corporate purposes, including $880,000 for the purchase of 20 additional liquid nitrogen high pressure pumping units. **Office**—3602 W. 11th St., Houston, Texas. **Underwriter** — Underwood, Neuhaus & Co., Inc., Houston, Texas.

North Electric Co.
March 30, 1961 filed 22,415 shares of common stock being offered for subscription by stockholders of record May 15 with rights to expire Aug. 25. **Price**—$25. **Business**— This subsidiary of L. M. Ericsson Telephone Co. of Stockholm, Sweden, manufactures telecommunications equipment, remote control systems, electromechanical and electronic components, and power supply assemblies. **Proceeds**—To repay loans and for working capital. **Office**—553 South Market St., Galion, Ohio. **Underwriter** —None.

★ North Western Mining & Exploration
July 13, 1961 ("Reg. A") 2,500,000 common shares (par one cent). **Price**—$0.02. **Proceeds**—For expenses incidental to mining operations. **Office** — 12822 3rd Ave., S., Seattle, Wash. **Underwriter**—None.

Northern States Power Co. (8/8)
June 23, 1961 filed $20,000,000 of first mortgage bonds due 1991. **Offices**—15 So. La Salle Street, Chicago 4, Ill.; 15 So. Fifth Street, Minneapolis 2, Minn.; 111 Broadway, New York 6, N. Y. **Underwriters**—(Competitive) Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp. and Blyth & Co. Inc. (jointly). **Bids**—Expected to be received at 10 a.m. (CDST) on Aug. 8.

NuTone, Inc.
July 17, 1961 filed 375,000 outstanding common shares. **Price**—By amendment. **Business**—The manufacture of household appliances. **Proceeds**—For the selling stockholders. **Office**—Madison & Red Bank Roads, Cincinnati. **Underwriter**—Kidder, Peabody & Co., New York (managing).

Occidental Petroleum Corp.
June 29, 1961 filed $3,962,500 of subordinated convertible debentures due 1976 to be offered for subscription by common stockholders on the basis of $100 principal amount of debentures for each 100 shares held. **Price**— At par. **Business**—The acquiring and developing of oil and gas properties. **Proceeds**—For exploration and development of oil leases and working capital. **Office**— 8255 Beverly Blvd., Los Angeles. **Underwriter**—None.

Old Empire, Inc. (8/30)
May 1, 1961 filed $700,000 of convertible subordinated debentures due 1971. **Price** — At par. **Business** — The manufacture, packaging and distribution of cosmetics, pharmaceuticals and household, chemical and industrial specialties. **Proceeds**—For the repayment of bank loans, property improvements and working capital. **Office**— 865 Mt. Prospect Avenue, Newark, N. J. **Underwriter**— Laird, Bissell & Meeds, Wilmington, Del.

Ore-Ida Foods, Inc.
June 29, 1961 filed 220,000 common shares of which 200,000 will be sold by the company and 20,000 by stockholders. **Price**—By amendment. **Business**—The processing of raw potatoes into various packaged frozen products. **Proceeds**—For the repayment of debt, purchase of equipment, plant expansion and working capital. **Office** — Ontario, Ore. **Underwriter** — Kidder, Peabody & Co., New York (managing).

Orkin Exterminating Co., Inc.
July 6, 1961 filed 360,000 outstanding no par common shares. **Price**—By amendment. **Business**—Pest and termite control services. **Proceeds**—For selling stockholders. **Office**—713 W. Peachtree St., N. E., Atlanta. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York and Courts & Co., Atlanta. **Offering**—Expected in late August.

● Ormont Drug & Chemical Co., Inc.
May 2, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—Manufacturers of drugs. **Proceeds**—For expansion, and working capital. **Office**—38-01 23rd Ave., Long Island City, N. Y. **Underwriter**—Havener Securities Corp., New York, N. Y. **Offering**—Imminent.

★ Osrow Products Co., Inc.
July 28, 1961 ("Reg. A") 60,000 common shares (par 10 cents). **Price**—$5. **Business**—The manufacture of car and window washing equipment. **Proceeds**—For an acquisition, repayment of loans, working capital and general corporate purposes. **Office**—115 Hazel Street, Glen Cove, L. I., N. Y. **Underwriter**—General Securities Co., Inc., New York.

Pacific States Steel Corp.
June 21, 1961 filed 100,000 outstanding shares of capital stock (par 50 cents) to be sold by stockholders. **Price**— $6. **Business**—The manufacture of steel products. **Proceeds**—For the selling stockholder. **Office**—35124 Alvarado-Niles Road, Union City, Calif. **Underwriters**—First California Co., Inc., and Schwabacher & Co., San Francisco (managing).

★ Pacific Vending Co., Inc.
July 20, 1961 ("Reg. A") 25,000 common shares. **Price**— At par ($1). **Proceeds**—For acquisition and leasing of new vending machines and working capital. **Office**—506 E. 16th St., Olympia, Wash. **Underwriter** — Arthur J. Coney, 1325 Broadway, Longview, Wash.

● Packer's Super Markets, Inc. (8/15)
May 25, 1961 filed 100,000 shares of common stock. **Price** —$6 per share. **Business**—The operation of 22 retail self-service food stores in the New York City area. **Proceeds** — For general corporate purposes. **Office** — 25 53rd St., Brooklyn, N. Y. **Underwriters** — Milton D. Blauner & Co., Inc., and M. L. Lee Co., Inc., both of New York City (managing).

Palmetto Pulp & Paper Corp.
June 28, 1961 filed 1,000,000 common shares. **Price**— $3.45. **Business**—The growth of timber. **Proceeds**—For working capital and the possible purchase of a mill. **Address**—P. O. Box 199, Orangeburg, S. C. **Underwriter** —Stone & Co.

★ Pan-Alaska Fisheries, Inc.
July 26, 1961 filed 120,000 common shares. **Price** — By amendment. **Business** — The processing of Alaska king crab. **Proceeds**—For acquisition of fishing boats, equipment and working capital. **Office**—Dexter Horton Bldg., Seattle. **Underwriter**—Robert L. Ferman & Co., Inc., Miami (managing).

● Pan American Resources, Inc. (8/15)
May 11, 1961 (letter of notification) 40,000 shares of common stock (par $1). **Price**—$7 per share. **Office**—600 Glendale Federal Bldg., Glendale 3, Calif. **Underwriter** —Fred Martin & Co., 1101 Woodland Dr., Norman, Okla.

★ Pargas, Inc.
Aug. 3, 1961 filed 150,000 common shares, of which 75,000 will be sold by the company and 75,000 by a stockholder. **Price**—By amendment. **Business** — The sale of liquified petroleum gas and equipment. **Proceeds**—For general corporate purposes. **Office**—Waldorf, Md. **Underwriter** — Kidder, Peabody & Co., Inc., New York (managing).

Parish (Amos) & Co., Inc. (9/18)
June 23, 1961 filed 208,000 outstanding common shares. **Price**—By amendment. **Business**—Business advisors and consultants to specialty and department stores. **Proceeds** —For the selling stockholders. **Office**—500 Fifth Avenue, New York. **Underwriter**—The James Co., New York

Parkview Drugs, Inc. (8/15)
June 21, 1961 filed 141,000 common shares (par $1) of which 100,000 will be sold by the company and 41,000 by stockholders. **Price**—By amendment. **Business**—The operation of a chain of retail drug stores and licensed departments in closed-door membership department stores. **Proceeds**—For expansion. **Office**—2323 Grand Avenue, Kansas City, Mo. **Underwriter**—Scherck, Richter Co., St. Louis.

● Patent Resources, Inc. (8/14)
May 24, 1961 filed 150,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—The company was organized in November 1960 to acquire, exploit and develop patents, and to assist inventors in developing and marketing their inventions. **Proceeds**—For general corporate purposes. **Office** — 608 Fifth Ave., New York City. **Underwriters**—Darius, Inc., New York (managing); N. A. Hart & Co., Bayside, N. Y., and E. J. Roberts & Co., Inc., Ridgewood, N. J.

Pell Pharmaceuticals, Inc. (8/14-18)
May 24, 1961 ("Reg. A.") 150,000 common shares (par five cents). **Price**—$2. **Proceeds**—For equipment, expansion, inventory, and working capital. **Office**—1 Belmont Ave., Bala-Cynwyd, Pa. **Underwriter**—R. P. & R. A. Miller & Co., Inc., Philadelphia.

Philadelphia Laboratories, Inc. (8/28)
May 26, 1961 filed 75,000 shares of common stock. **Price** —$8 per share. **Business**—The development, manufacture and sale of pharmaceuticals, vitamins and veterinary products. **Proceeds** — For the repayment of debt, and other corporate purposes. **Office** — 400 Green Street, Philadelphia, Pa. **Underwriter** — Woodcock, Moyer, Fricke, & French, Inc., Philadelphia.

★ Photo-Animation, Inc.
July 26, 1961 filed 150,000 common shares. **Price**—$1.25. **Business**—The manufacture of machines, equipment and devices used in the creation of animated motion pictures. **Proceeds**—For development of new products, repayment of loans and working capital. **Office** — 34 S. West St., Mount Vernon, N. Y. **Underwriter**—First Philadelphia Corp., New York.

Photographic Assistance Corp.
June 27, 1961 filed 150,000 common shares. **Price**—$1. **Proceeds**—For expansion, equipment and working capital. **Office**—1335 Gordon St., S. W., Atlanta, Ga. **Underwriters**—Globus, Inc., and Harold C. Shore & Co., Inc. New York (managing).

★ Pickwick International, Inc.
July 27, 1961 filed 100,000 common shares. **Price** — $3. **Business**—The distribution of phonograph records. **Proceeds**—For advertising and promotion, merchandising, repayment of loans, additional personnel, working capital and other corporate purposes. **Office** — 8-16 43rd Ave., Long Island City, N. Y. **Underwriter**—William, David & Motti, Inc., New York.

Pickwick Recreation Center, Inc.
April 21, 1961 (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds** —To pay for construction, working capital and general corporate purposes. **Office**—921-1001 Riverside Drive, Burbank, Calif. **Underwriter**—Fairman & Co., Los Angeles, Calif. **Offering**—Expected in September.

★ Pioneer Astro Industries, Inc.
July 27, 1961 filed 150,000 common shares. **Price** — By amendment. **Business** — The manufacture of precision machined components and assemblies for missile guidance systems. **Proceeds** — For a new plant, additional equipment and working capital. **Office**—7401 W. Lawrence Ave., Chicago. **Underwriter**—Francis I. du Pont & Co., New York (managing).

Plasticon Corp. (8/16)
May 8, 1961 filed 665,666 shares of common stock, of which 90,666 shares are to be publicly offered, 25,000 shares are to be offered to Leyghton-Paige Corp., 150,000 shares are to be offered to Leyghton-Paige stockholders on the basis of one Plasticon share for each three Leyghton-Paige shares held, and 400,000 shares are to be offered to holders of the company's $1,200,000 of 5% promissory notes. **Price** — $3 per share, in all cases. **Business**—The manufacture of large plastic containers. **Proceeds**—To discharge the indebtedness represented by Plasticon's 5% promissory notes, with the balance for more equipment and facilities. **Office** — Minneapolis, Minn. **Underwriter**—None.

Polytronic Research, Inc.
June 7, 1961 filed 193,750 common shares, of which 150,000 will be sold for the company and 43,750 for stockholders. **Price**—By amendment. **Business**—Research and development, engineering and production of certain electronic devices for aircraft, missiles, oscilloscopes, electronic vending machines and language teaching machines. **Proceeds**—For expansion, repayment of debt and working capital. **Office**—7326 Westmore Rd., Rockville, Md. **Underwriters**—Jones, Kreeger & Co., and Balogh & Co., Washington, D. C. (managing).

★ Precision Circuits, Inc.
July 20, 1961 ("Reg. A") 260,000 common shares (par 10 cents). **Price**—$1.15. **Proceeds**—For a new building, equipment and working capital. **Office**—2532-25th Ave., S., Minneapolis. **Underwriter**—Naftalin & Co., Inc., Minneapolis.

● Precision Specialties, Inc. (8/4)
May 15, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The manufacture of precision instruments. **Proceeds**—To repay loans for construction, purchase of equipment; research and development, and working capital. **Office**—Hurffville, N. J. **Underwriter**—Harrison & Co., Philadelphia, Pa.

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★ Premier Albums, Inc.
July 31, 1961 filed 120,000 common shares. **Price**—$5. **Business**—The manufacture of long-playing stereophonic and monaural phonograph records. **Proceeds**—For acquisition of facilities, marketing of new stereophonic records and working capital. **Office**—356 W. 40th St., New York. **Underwriter**—Gianis & Co., New York.

Prep Products, Inc.
July 6, 1961 ("Reg. A") 1,400 common shares. **Price**—At par ($100). **Proceeds**—For royalty payments on leases, repayment of debt and working capital. **Address**—Highway 20, Thermopolis, Wyo. **Underwriter**—Wilson, Ehli, Demos, Bailey & Co., Billings, Mont.

President Airlines, Inc.
June 13, 1961 ("Reg. A") 150,000 class A common shares (par one cent). **Price**—$2. **Business**—Air transportation of passengers and cargo. **Proceeds**—For payment of current liabilities and taxes; payment of balance on CAB certificate and working capital. **Office** — 630 Fifth Avenue, Rockefeller Center, N. Y. **Underwriter**—Continental Bond & Share Corp., Maplewood, N. J.

★ Product Research of Rhode Island, Inc.
July 28, 1961 filed 330,000 common shares. **Price**—$2.05. **Business** — The manufacture of vinyl plastic products used in the automotive, marine and household fields. **Proceeds**—For repayment of debt, new equipment and working capital. **Office** — 184 Woonasquatucket Avenue, Nort Providence, R. I. **Underwriter**—Continental Bond & Share Corp., Washington, D. C.

Progress Industries, Inc.
June 26, 1961 filed 75,000 common shares (with warrants) of which 55,000 shares will be sold by the company and 20,000 by stockholders. **Price**—$10. **Proceeds**—For the payment of debt, the establishment of a new subsidiary, plant improvements and working capital. **Office**—400 E. Progress St., Arthur, Ill. **Underwriter**—Tabor & Co., Decatur, Ill. (managing).

● Progressitron Corp. (8/7-11)
June 9, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—Manufacturers of electronic, electro mechanical and mechanical devices. **Proceeds**—For general corporate purposes. **Office**—14-25 128th St., College Point, N. Y. **Underwriter**—Netherlands Securities Co., New York.

Publishers Vending Services, Inc.
July 3, 1961 filed $600,000 of 5½% convertible subordinated debentures due 1971; 120,000 common shares which underlie 2-year first warrants exercisable at $7.50 per share, and 120,000 common shares which underlie 5-year second warrants, exercisable at $10 per share. The securities are to be offered for public sale in units of one $100 debenture, 20 first warrants and 20 second warrants. **Price**—$100 per unit. **Business**—The design, manufacture, sale and leasing of coin-operated vending machines for magazines, newspapers and paperback books. **Proceeds**—For the repayment of debt, advertising, sales promotion, and the manufacture of new machines. **Office**—1201 South Clover Drive, Minneapolis. **Underwriter**—D. H. Blair & Co., New York.

Pueblo Supermarkets, Inc. (8/8)
June 6, 1961 filed 100,000 outstanding shares of class A common to be offered for public sale by stockholders. **Price**—By amendment. **Business**—Operates seven supermarkets in Puerto Rico. **Proceeds**—For the selling stockholders. **Office**—P. O. Box 10878, Caparra Heights, San Juan, P. R. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York. **Offering**—Expected in early August.

Rabin-Winters Corp.
June 19, 1961 filed 180,000 common shares of which 80,000 shares are to be offered by the company and 100,000 shares by stockholders. **Price**—By amendment. **Business**—The manufactuer of pharmaceuticals, cosmetics, lighter fluid and related items. **Proceeds**—To repay loans and for working capital. **Office**—700 N. Sepulveda Boulevard, El Segundo, Calif. **Underwriter**—H. Hentz & Co., New York.

Radiation Instrument Development Laboratory, Inc. (8/7-11)
June 1, 1961 filed 100,000 common shares, including 86,666 to be offered for sale by the company and 13,334 by stockholders. **Price**—By amendment. **Business**—Develops, designs and produces electronic instruments for the detection of atomic radiation. **Proceeds**—For working capital, and expansion. **Office** — 61 East North Ave., Northlake, Ill. **Underwriter**—Hayden, Stone & Co., New York City (managing).

Ram Tool Corp.
June 9, 1961 filed 100,000 common shares. **Price** — By amendment. **Business**—The manufacture of electrically powered tools. **Proceeds**—For working capital. **Office**—411 N. Claremont Ave., Chicago, Ill. **Underwriter**—Aetna Securities Corp., New York (managing).

★ Real Properties Corp. of America
July 25, 1961 filed 365,000 class A shares. **Price**—$10. **Business**—A real estate investment company. **Office**—1451 Broadway, New York. **Underwriter**—Stanley Heller & Co., New York City (managing).

Reeves Broadcasting & Development Corp. (8/22)
June 16, 1961 filed $2,500,000 of convertible debentures. **Price**—At par. **Business**—The operation of TV stations and recording studios and the development of real estate properties in North Carolina. **Proceeds**—For expansion, the repayment of loans, for working capital and other corporate purposes. **Office**—304 E. 44th St., New York. **Underwriter**—Laird & Co., Corp., Wilmington, Del. (managing).

Reher Simmons Research Inc. (8/28-9/1)
May 8, 1961 filed 150,000 shares of capital stock. **Price**—$6 per share. **Business**—The research and development of processes in the field of surface and biochemistry. **Proceeds**—For plant construction, equipment, research and development, sales promotion and working capital. **Office**—545 Broad St., Bridgeport, Conn. **Underwriter**—McLaughlin, Kaufmann & Co., (managing).

Republic Aviation Corp. (8/29)
July 11, 1961 filed 214,500 outstanding common shares. **Price**—By amendment. **Business**—The manufacture of airplanes and ground support equipment. **Proceeds**—For the selling stockholder. **Address** — Farmingdale, L. I., N. Y. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York (managing).

★ Reser's Fine Foods, Inc.
July 17, 1961 ("Reg. A") 2,181 common shares (par $1). **Price**—$22. **Proceeds**—For erection of a food processing plant. **Office**—Reser Bldg., Cornelius, Ore. **Underwriter**—William, David & Motti, New York.

★ Rexach Construction Co., Inc.
July 28, 1961 filed $1,500,000 of 6½% sinking fund debentures (with warrants) due 1976 and 105,000 outstanding common shares. **Price**—By amendment. **Business**—The construction of highways, buildings and homes. **Proceeds**—For repayment of a loan, purchase of stock in Puerto Rico Aggregates Co., and working capital. **Address**—San Juan, Puerto Rico. **Underwriters** — P. W. Brooks & Co., Inc., New York and CIA Financiera de Inversiones, Inc., San Juan (managing).

● Ripley Co., Inc. (8/4)
May 19, 1961 filed 82,500 shares of common stock, of which 25,000 shares are to be offered for public sale by the company and 57,500 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and distribution of photoelectric street light controls, centrifugal blowers and other electronic equipment. **Proceeds**—For new product development. **Office**—One Factory Street, Middletown, Conn. **Underwriter** — Dominick & Dominick, New York City (managing).

Riverview ASC, Inc. (8/14)
May 18, 1961 ("Reg. A") 100,000 common shares. **Price**—$3. **Business**—Real estate and utility development in Florida. **Proceeds** — For expansion. **Office** — 2823 So. Washington Ave., Titusville, Fla. **Underwriter**—Albion Securities Co., Inc., New York.

Roanwell Corp.
July 11, 1961 filed 150,000 shares of common stock of which 50,000 will be sold by the company and 100,000 by stockholders. **Price**—By amendment. **Business**—The manufacture of electro-acoustical transducers in the voice communications field. **Proceeds** — For additional equipment, working capital and other corporate purposes. **Office**—180 Varick St., New York. **Underwriter**—Paine, Webber, Jackson & Curtis, New York. **Offering**—Expected in early September.

Roberts Lumber Co.
June 28, 1961 filed 55,000 common shares of which 20,000 shares are to be offered by the company and 35,000 shares by a selling stockholder. **Price**—By amendment **Business**—The sale of building materials. **Proceeds**—For repayment of a loan and working capital. **Office**—2715 Market Street,Wheeling, W. Va. **Underwriter**—Arthurs, Lestrange & Co., Pittsburgh, Pa. (managing).

★ Robins Indsutries Corp.
July 27, 1961 filed 100,000 common shares. **Price**—$2.50. **Business**—The manufacture of products in the electronic sound and recording field. **Proceeds**—For repayment of a loan, moving expenses, research and development, tooling, advertising and working capital. **Office** — 36-27 Prince St., Flushing, N. Y. **Underwriter**—Carroll Co., New York.

Rocky Mountain Natural Gas Co., Inc. (9/12)
July 10, 1961 filed $1,500,000 of sinking fund debentures due 1981 (with attached warrants) and 150,000 common shares to be offered in 75,000 units. each consisting of $20 of debentures (with an attached warrant) and two common shares. **Price**—By amendment. **Proceeds**—For construction and general corporate purposes. **Office**—1726 Champa St., Denver. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York (managing).

Rodney Metals, Inc. (9/7)
June 30, 1961 filed 140,000 common shares. **Price**—$10. **Proceeds** — For the repayment of debt and other corporate purposes. **Office**—261 Fifth Ave., New York. **Underwriter**—Amos Treat & Co., Inc., New York (managing).

Ross Products, Inc.
July 14, 1961 filed 200,000 common shares, of which 100,000 shares are to be offered by the company and 100,000 shares by the stockholders. **Price**—By amendment. **Business**—The importing and distributing of general merchandise. **Proceeds**—For repayment of debt, expansion and general corporate purposes. **Office**—1107 Broadway, New York. **Underwriters**—Blair & Co. and F. L. Rossman & Co., New York.

Royal School Laboratories, Inc.
June 23, 1961 filed 170,000 common shares. **Price**—$5. **Business**—The manufacture of special purpose laboratory furniture for schools. **Proceeds** — For expansion, general corporate purposes and working capital. **Office**—Meadow & Clay Sts., Richmond, Va. **Underwriter**—B. N. Rubin & Co., Inc., New York.

Rudd-Melikian, Inc.
June 16, 1961 filed 130,000 common shares. **Price**—$10. **Business**—The manufacture of automatic coffee dispensers and similar items. **Proceeds**—For repayment of loans, promotion and manufacture of a new product, working capital and general corporate purposes. **Office** — 300 Jacksonville Road, Hatboro, Pa. **Underwriter**—Stearns & Co., New York.

S. O. S. Photo-Cine-Optics, Inc. (9/4)
June 29, 1961 filed $50,000 of 6% subordinated debentures due 1969 and 50,000 common shares to be offered in units consisting of $10 of debentures and 10 common shares. **Price**—$40 per unit. **Business**—The manufacturing, renting and distributing of motion picture and television production equipment. **Proceeds**—For new equipment, advertising, research and development, working capital and other corporate purposes. **Office**—602 W. 52nd St., New York. **Underwriter** — William, David & Motti, Inc., New York.

St. Clair Specialty Manufacturing Co., Inc.
June 19, 1961 filed 113,600 common shares of which 40,000 shares are to be offered by the company and 73,600 shares by stockholders. **Price**—By amendment. **Business** — The printing of gift wrap papers. **Proceeds** — For equipment and working capital. **Address**—120 Twenty-Fifth Ave., Bellwood, Ill. **Underwriters**—Stifel, Nicolaus & Co., St. Louis and Walston & Co., New York.

Sav-Mor Oil Corp. (8/21-25)
July 5, 1961 ("Reg. A") 92,000 common shares (par one cent). **Price**—$2.50. **Business**—Wholesale distribution of gasoline and oil to service stations. **Proceeds**—For expansion. **Office**—151 Birchwood Park Dr., Jericho, L. I., N. Y. **Underwriter**—Armstrong & Co., Inc., New York.

Save-Tax Club, Inc.
July 6, 1961 ("Reg. A") 150,000 common shares (par 10 cents). **Price**—$2. **Business**—A plan to stimulate retail merchandising in New York City. Retail establishments who join the plan will give 3% discounts to members of the Save-Tax Club. **Proceeds**—For salaries to salesmen, advertising, public relations, additional employees, and working capital. **Office**—135 W. 52nd St., New York. **Underwriter**—B. G. Harris & Co., Inc., New York.

Scot's Discount Enterprises, Inc.
July 21, 1961 filed 175,000 common shares. **Price**—$2.25. **Business**—The retail sale of merchandise at a low markup. **Proceeds**—For new stores, inventory, and working capital. **Address**—East Windsor, Conn. **Underwriter**—Willis E. Burnside & Co., Inc., New York.

Second Financial, Inc. (8/7)
June 20, 1961 filed 100,000 common shares. **Price**—$3. **Business** — The purchase of notes, mortgages, contracts, etc., from Shell Home Builders. **Proceeds**—For investment. **Office**—2740 Apple Valley Road, N. E., Atlanta, Ga. **Underwriter**—Globus, Inc., New York.

Security Acceptance Corp. (8/30)
March 7, 1961 filed 100,000 shares of class A common stock and $400,000 of 7½% 10-year debenture bonds, to be offered in units consisting of $100 of debentures and 25 shares of stock. **Price**—$200 per unit. **Business**—The purchase of conditional sales contracts on home appliances. **Proceeds** — For working capital and expansion. **Office**—724 9th St., N. W., Washington, D. C. **Underwriter**—None.

Semicon, Inc.
June 30, 1961 filed 125,000 class A common shares. **Price**—By amendment. **Business**—The manufacture of semiconductor devices for military, industrial and commercial use. **Proceeds**—For equipment, plant expansion and new products. **Address**—Sweetwater Avenue, Bedford, Mass. **Underwriter**—S. D. Fuller & Co., New York (managing). **Offering**—In early September.

● Service Photo Industries, Inc. (8/8)
May 26, 1961 filed 150,000 class A shares (par one cent). **Price** — $4. **Business** — The company, formerly Service Photo Suppliers, Inc., is engaged in the importation and distribution of a wide variety of photographic equipment. **Proceeds**—For the repayment of debt, advertising and sales promotion, and other corporate purposes. **Office**—33 East 17th St., New York. **Underwriter**—N. A. Hart & Co., Bayside, N. Y. (managing).

Shelley Urethane Industries, Inc. (8/18)
May 24, 1961 filed 200,000 shares of common stock. **Price** To be supplied by amendment. **Business**—The manufacture, converting and distribution of urethane foam products to industry. **Proceeds** — For expansion, new equipment, repayment of debt, and working capital. **Office**—4542 East Dunham St., City of Commerce, Calif. **Underwriter** — Garat & Polonitza, Inc., Los Angeles (managing). **Note**—This company plans to change its name to Urethane Industries International Inc.

● Shepard Airtronics, Inc. (8/7)
April 26, 1961 (letter of notification) 75,000 shares of common stock (par one cent). **Price** — $4 per share. **Business**—The manufacture of high altitude breathing and ventilation equipment. **Proceeds**—For repayment of loans; new equipment, research and development, plant improvement, purchase of inventory, advertising and working capital. **Office** — 787 Bruckner Boulevard, Bronx, N. Y. **Underwriters**—L. C. Wegard & Co., 28 West State St., Trenton, N. J. (managing); L. J. Termo & Co., Inc., New York and Copley & Co., Colorado Springs, Colo.

Shulton, Inc.
July 21, 1961 filed 50,000 class A and 50,000 class B common shares. **Price**—By amendment. **Business**—The manufacture of toiletries and household chemical products. **Proceeds**—For general corporate purposes. **Address**—697 Route 46, Clifton, N. J. **Underwriter**—Smith, Barney & Co., New York (managing).

★ Siegel (Henry I.) Co., Inc.
July 27, 1961 filed 270,000 class A shares (par $1), of which 135,000 shares are to be offered by the company and 135,000 shares by stockholders. **Price**—By amendment. **Business** — The manufacture of men's and boys' sportswear. **Proceeds** — For repayment of loans, equipment, working capital and other corporate purposes. **Office**—230 Fifth Ave., New York. **Underwriter**—Shearson, Hammill & Co., New York (managing).

Sjostrom Automations, Inc.
June 28, 1961 filed 70,000 class A common shares. **Price**—$4. **Business** — The design, manufacture and sale of electronically controlled automation devices. **Proceeds**—For the repayment of debt, purchase of additional equipment and inventory, and working capital. **Office**—140 N. W. 16th St., Boca Raton, Fla. **Underwriter**—J. I. Magaril Co., Inc., New York.

Southern Growth Industries, Inc.
June 28, 1961 filed 100,000 common shares. **Price**—$6. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—Poinsett Hotel Building, Greenville, S. C. **Underwriter**—Capital Securities Corp., Greenville, S. C.

Southern Realty & Utilities Corp. (8/30)
May 26, 1961 filed $3,140,000 of 6% convertible debentures due 1976, with warrants to purchase 31,400 common shares, to be offered for public sale in units of $500 of debentures and warrants for five common shares. **Price**—At 100% of principal amount. **Business**—The development of unimproved land in Florida. **Proceeds**—For the repayment of debt, the development of property, working capital and other corporate purposes. **Office**—1674 Meridian Avenue, Miami Beach, Fla. **Underwriters** — Hirsch & Co., and Lee Higginson Corp., both of New York City (managing).

● Space Technology & Research Corp. (8/7)
June 20, 1961 ("Reg. A") 300,000 common shares (par 10 cents). **Price**—$1. **Proceeds**—For repayment of debts, furniture and equipment, and working capital. **Office**—520 Midland Savings Bldg., Denver, Colo. **Underwriter**—Henry Fricke Co., New York.

● Spectron, Inc.
June 9, 1961 filed 83,750 class A common shares (par 10 cents). **Price**—$4.50. **Business**—The design, development and manufacture of electronic systems, instruments and equipment, including microwave, radar and underwater communication devices. **Proceeds** — For purchase of equipment, plant expansion, patent development and general corporate purposes. **Office**—812 Ainsley Bldg., Miami, Fla. **Underwriter**—Hampstead Investing Corp., New York (managing). **Offering**—Expected in late Aug.

Spencer Laboratories, Inc. (8/7)
May 1, 1961 (letter of notification) 1,624 shares of class A common stock (no par) to be offered for subscription by stockholders on the basis of four shares for each five shares held, with the unsubscribed shares to be sold to the public. **Price**—To stockholders, $100 per share; to the public, $110 per share. **Business**—Manufacturers of Pharmaceuticals. **Proceeds** — For testing new products, inventories; marketing and general corporate purposes. **Office**—10 Pine St., Morristown, N. J. **Underwriter**—E. T. Andrews & Co., Hartford, Conn.

Star Homes, Inc.
June 28, 1961 filed $500,000 7% subordinated debentures due 1971 and 200,000 common shares to be offered in units, each unit consisting of $50 of debentures and 20 common shares. **Price**—$100 per unit. **Business**—The construction and sale of shell homes. **Proceeds**—For repayment of loans, advances to a subsidiary, establishment of branch sales offices and working capital. **Office**—336 S. Salisbury Street, Raleigh, N. C. **Underwriter**—D. E. Liederman & Co., Inc., New York (managing).

Sterling Electronics, Inc.
July 24, 1961 filed 125,200 common shares, of which 82,000 shares are to be offered by the company and 43,200 shares by stockholders. **Business**—The distribution of electronic parts and equipment. **Proceeds**—For repayment of loans and working capital. **Office**—1616 McKinley, Houston, Texas. **Underwriter**—S. D. Fuller & Co., New York (managing).

Stratoflex, Inc.
June 8, 1961 filed 120,000 common shares. **Price** — By amendment. **Business** — The manufacture of hydraulic and pneumatic type hose, primarily for the aircraft and missile industries. **Proceeds**—For repayment of loans, and working capital. **Address** — P. O. Box 10398, Fort Worth, Tex. **Underwriter**—First Southwest Co., Dallas.

Stratton Corp.
March 3, 1961 filed $650,000 of 5% convertible subordinated debentures, due Dec. 1, 1981. **Price**—At 100% of principal amount. **Business**—The development and operation of a winter and summer recreational resort on Stratton Mountain in southern Vermont. **Proceeds**—For construction. **Office**—South Londonderry, Vt. **Underwriter**—Cooley & Co., Hartford, Conn.

Strouse, Inc.
June 27, 1961 filed $600,000 of 6% convertible subordinated debentures due 1981. **Price**—At par. **Proceeds**—For plant expansion, working capital and other corporate purposes. **Office** — Basin and Cherry Sts., Norristown, Pa. **Underwriter**—H. A. Riecke & Co., Philadelphia (managing).

Sun Valley Associates
March 30, 1961 (letter of notification) $205,000 of limited partnership interests to be offered in units of $5,000, or fractional units of not less than $2,500. **Proceeds**—For working capital. **Address** — Harlingen, Texas. **Underwriter**—Nat Berger Associates, Inc., New York City.

Supronics Corp. (8/28-9/1)
May 29, 1961 filed 90,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is engaged in the distribution of wholesale electrical equipment and supplies. **Proceeds** — For the repayment of bank loans and other corporate purposes. **Office**—224 Washington St., Perth Amboy, N. J. **Underwriters**—Amos Treat & Co., Inc., and Standard Securities Corp., both of New York City and Bruno-Lenchner, Inc., Pittsburgh, Pa.

★ Surfside Marina, Inc.
July 19, 1961 ("Reg. A") 60,000 common shares (par $1). **Price**—$5. **Proceeds**—For the construction and operation of a boating and fishing resort. **Office**—616 Broad St., Chattanooga, Tenn. **Underwriter** — Branum Investment Co., Inc., Nashville, Tenn.

Swanee Paper Corp.
June 29, 1961 filed 150,000 common shares, of which 35,000 shares are to be offered by the company and 115,000 shares by the stockholders. **Price**—By amendment. **Business**—The production of tissue paper products. **Proceeds**—For general corporate purposes. **Office**—205 E. 42nd St., New York. **Underwriter**—Blair & Co., Inc., New York (managing). **Offering**—Expected in late Aug.

Swingline Inc.
June 14, 1961 filed 200,000 outstanding class A common shares. **Price**—By amendment. **Business**—The manufacture of stapling machines. **Proceeds** — For the selling stockholders. **Office**—32-00 Skillman Ave., Long Island City, New York. **Underwriter**—Paine, Webber, Jackson & Curtis, New York (managing). **Offering**—Expected in late September.

T. F. H. Publications, Inc.
June 22, 1961 ("Reg. A") 60,000 common shares (par 10 cents). **Price**—$5. **Business**—The publishing of books, pamphlets and magazines. **Proceeds**—For repayment of loans, production of new garden books, installation of air-conditioning and working capital. **Office**—245-247 Cornelison Ave., Jersey City, N. J. **Underwriter**—Arnold Malkan & Co., Inc., New York.

T-Bowl International, Inc.
June 15, 1961 filed 400,000 common shares, of which 325,000 shares are to be offered by the company and 75,000 shares by stockholders. **Price**—By amendment. **Business**—The operation of bowling centers. **Proceeds**—For expansion. **Office**—27 B Boulevard, East Paterson, N. J. **Underwriter**—Peter Morgan & Co., New York.

● T. V. Development Corp. (8/11)
May 26, 1961 filed 100,000 shares of common stock. **Price**—$5 per share. **Business**—The manufacture and sale of replacement knobs for television sets. **Proceeds**—For the repayment of debt, the expansion of product lines and working capital. **Office**—469 Jericho Turnpike, Mineola, N. Y. **Underwriters** — Kesselman & Co., and Brand, Grumet & Seigel, Inc., New York (managing).

Taddeo Bowling & Leasing Corp. (8/14-18)
March 31, 1961 filed $600,000 of 8% convertible subordinated debentures due 1971, 125,000 shares of common stock and 50,000 class A warrants to purchase common stock to be offered for public sale in units consisting of $240 of debentures, 50 common shares and 20 warrants. **Price** — $640 per unit. **Business** — The construction of bowling centers. **Proceeds**—For construction and working capital. **Office**—873 Merchants Road, Rochester, N. Y. **Underwriter**—Lomasney, Loving & Co., New York City (managing).

● Taffet Electronics, Inc.
April 28, 1961 filed 132,000 shares of common stock. **Price** — $3 per share. **Business** — The manufacture of electronic equipment, principally electronic test equipment, partial electronic systems and assemblies, and the fabrication of electronic components, for use primarily in the communications field. **Proceeds**—For additional equipment, capital improvements and working capital. **Office**—27-01 Brooklyn Queens Expressway, Woodside, N. Y. **Underwriters**—Fialkov & Co., Inc. (managing); Stanley Heller & Co., Amos Treat & Co., Inc., all of New York City. **Offering**—Imminent.

Taft Broadcasting Co.
May 26, 1961 filed 376,369 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The operation of TV and radio broadcasting stations. **Proceeds**—For the selling stockholders. **Office**—1906 Highland Avenue, Cincinnati, Ohio. **Underwriter**—Harriman Ripley & Co., Inc., New York City (managing.) **Offering**—Temporarily postponed.

● Tassette, Inc. (8/7)
Feb. 15, 1961 filed 200,000 shares of class A stock. **Price**—$12 per share. **Business**—The company was organized under Delaware law in 1959 to finance the exploitation and sale of "Tassette," a patented feminine hygiene aid. **Proceeds**—For advertising and promotion, market development, medical research and administrative expenses. **Office**—170 Atlantic St., Stamford, Conn.. **Underwriter**—Amos Treat & Co., Inc., New York City (managing); Bruno-Lenchner, Inc., Pittsburgh; and Karen Securities Corp., New York City.

Tastee Freez Industries, Inc.
July 12, 1961 filed 350,000 common shares, of which 200,000 shares are to be offered by the company and 150,000 shares by a stockholder. **Price**—By amendment. **Business**—The franchising and supplying of stores with a soft ice cream product and selected food items. **Proceeds**—For acquisition of properties and working capital. **Office**—2518 W. Montrose Ave., Chicago. **Underwriter**—Bear Stearns & Co., New York (managing).

Tax-Exempt Public Bond Trust Fund, Series 2
Feb. 23, 1961 filed $10,000,000 (100,000 units) ownership certificates. **Price**—To be filed by amendment. **Business**—The fund will invest in interest bearing obligations of states, counties, municipalities and territories of the U. S., and political subdivisions thereof which are believed to be exempted from Federal income taxes. **Proceeds** — For investment. **Office** — 135 South La Salle Street, Chicago. **Sponsor**—John Nuveen & Co., Chicago.

Taylor-Country Estate Associates
June 12, 1961 filed $2,420,000 of limited partnership interests. **Price**—$10,000 per unit. **Business**—The partnership will acquire all the outstanding stock of five apartment houses in Newark, East Orange and Jersey City, N. J. **Proceeds**—For general corporate purposes. **Office**—420 Lexington Ave., New York City. **Underwriter**—Nat Berger Associates, Inc., New York.

Technical Materiel Corp. (8/16)
June 30, 1961 filed 50,000 outstanding common shares. **Price** — By amendment. **Business** — The design, manufacture and sale of components for high frequency radio communications. **Proceeds**—For the selling stockholder. **Office**—700 Fenimore Rd., Mamaroneck, N. Y. **Underwriter**—Kidder, Peabody & Co., New York.

Techno-Vending Corp.
June 9, 1961 ("Reg. A")100,000 class A common shares (par one cent). **Price**—$3. **Business**—The manufacture of coin-operated vending machines. **Proceeds**—For repayment of loans; sales promotion and advertising; expansion; purchase of raw materials; research and development, and working capital. **Office**—599 Tenth Avenue, New York. **Underwriter**—International Services Corp., Paterson, N. J.

Telecredit, Inc.
July 24, 1961 filed 155,000 common shares. **Price**—$1. **Business**—The development of high-speed electronic data processing systems. **Proceeds**—For organizational expenses, establishment of service centers and reserves. **Office**—100 W. 10th Street, Wilmington, Del. **Underwriter**—Globus, Inc., New York (managing).

★ Telephones, Inc.
July 26, 1961 filed 250,000 common shares, of which 200,000 shares are to be offered by the company and 50,000 shares by stockholders. **Price**—By amendment. **Business**—A holding company with eight telephone subsidiaries. **Office**—135 So. La Salle St., Chicago. **Underwriters**—Hayden, Stone & Co., New York and McCormick & Co., Chicago.

TelePrompTer Corp. (8/16)
July 6, 1961 filed $5,000,000 of convertible subordinated debentures due 1976. **Price**—By amendment. **Business**—The manufacture of communication systems and equipment. **Proceeds**—For repayment of loans and working capital. **Office**—50 W. 44th St., New York. **Underwriter**—Bear, Stearns & Co., New York (managing).

Templet Industries Inc.
June 2, 1961 ("Reg. A") 100,000 common shares (par 25 cents). **Price**—$3. **Business**—Licenses patents to diemakers and metal parts manufacturers. **Proceeds**—For working capital and general corporate purposes. **Office**—701 Atkins Ave., Brooklyn 8, N. Y. **Underwriter**—Levien, Greenwald & Co., New York.

● Templeton Damroth Corp.
March 30, 1961 filed $445,000 of 5½% convertible debentures, due 1969. **Price** — 100% of the principal amount. **Business** — The management and distribution of shares of four investment companies, and also private investment counselling. **Proceeds**—To increase the sales efforts of subsidiaries, to establish a new finance company, and for general corporate purposes. **Office**—630 Third Avenue, New York City. **Underwriter**—Hecker & Co., Philadelphia, Pa. **Offering**—Expected in late Aug.

Tennessee Investors, Inc.
May 16, 1961 filed 500,000 shares of common stock to be publicly offered, and 4,206 common shares to be offered to holders of the outstanding common on the basis of one new share for each nine shares held. **Prices**—$12.50 per share for the public offering and $11.40 per share for the rights offering. **Business**—A small business investment company. **Proceeds** — To finance the company's activities of providing equity capital and long term loans to small business concerns. **Office**—Life and Casualty Tower, Nashville, Tenn. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

Terry Industries, Inc.
Feb. 28, 1961 filed 1,728,337 shares of common stock of which 557,333 shares are to be offered for the account of the issuing company and 1,171,004 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—For the company's shares, to be related to A.S.E. prices at time of the offering. For the stockholders' shares, the price will be supplied by amendment. **Business** — The company, formerly Sentry Corp., is primarily a general contractor for heavy construction projects. **Proceeds**—The proceeds of the first 12,000 shares will go to Netherlands Trading Co. The balance of the proceeds will be used to pay past due legal and accounting bills, to reduce current indebtedness, and for working capital. **Office**—11-11 34th Ave., Long Island City, L. I., N. Y. **Underwriter** — (For the company's shares only) Greenfield & Co., Inc., New York City.

Texas Capital Corp. (8/9)
June 16, 1961 filed 1,000,000 common shares. **Price**—By amendment. **Business** — A small business investment company. **Proceeds** — For investment. **Office** — 104 E. Eighth St., Georgetown, Tex. **Underwriter** — Dempsey-Tegeler & Co., Inc., St. Louis.

Textilfoam, Inc.
June 23, 1961 filed 130,000 common shares of which 100,000 shares are to be offered by the company and 30,000 shares by the stockholders. **Price**—By amendment. **Business** — The lamination of a synthetic foam to fabrics. **Proceeds**—For expansion, working capital and general corporate purposes. **Office**—200 Fair St., Palisades Park, N. J. **Underwriters**—Flomenhaft, Seidler & Co., Inc., and Street & Co., Inc., New York (managing).

Theil Publication, Inc.
July 25, 1961 filed 110,000 common shares. **Price**—$3. **Business**—The writing and producing of technical material for industry and Department of Defense. **Proceeds**—For repayment of loans, working capital and general

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corporate purposes. **Office**—1200 Hempstead Turnpike, Franklin Sq., L. I., N. Y. **Underwriter**—None.

★ Thermionix Industries Corp.
July 27, 1961 ("Reg. A") 150,000 common shares (par 10 cents). **Price**—$2. **Business**—The manufacture of a flexible heating tape. **Proceeds**—For construction of a machine, research and development, sales engineering and working capital. **Office** — 500 Edgewood Avenue, Trenton, N. J. **Underwriter**—D. L. Capas Co., New York.

Thermo-Chem Corp.
June 14, 1961 filed 130,000 common shares. **Price**—$4.50. **Business**—The manufacture of coatings for fabrics. **Proceeds**—To repay a loan, and purchase equipment, for research and development, administrative expenses and working capital. **Office** — Noeland Ave., Penndel, Pa. **Underwriter**—Best & Garey Co., Inc., Washington, D. C.

Thermotronics Corp., Inc.
July 10, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—Research and development of electronic and electrical devices, principally an electronic water heater. **Proceeds**—For raw materials, plant and equipment, advertising research and development and working capital. **Office**—27 Jericho Turnpike, Mineola, L. I., N. Y. **Underwriter**—J. B. Coburn Associates, Inc., New York.

30 North La Salle Street Realty Fund
July 3, 1961 filed 200,000 shares of beneficial interests. **Price**—$5. **Business**—A real estate investment company. **Proceeds**—For investment. **Office**—30 N. LaSalle St., Chicago. **Underwriter**—None.

• Thoroughbred Enterprises, Inc. (8/21)
June 2, 1961 filed 85,000 common shares. **Price**—$4. **Business** — The breeding of thoroughbred race horses. **Proceeds**—To purchase land, build a stable, and buy additional horses. **Office**—8000 Biscayne Blvd., Miami, Fla. **Underwriter**—Sandkuhl & Co., Inc., Newark, N. J., and New York City.

Thriftway Foods, Inc.
July 13, 1961 filed 140,000 common shares, of which 66,915 shares are to be offered by the company and 73,085 shares by stockholders. **Price**—By amendment. **Business**—The wholesale distribution of food products to retail stores. **Proceeds**—For repayment of debt and general corporate purposes. **Office**—Church & Henderson Rds., King of Prussia, Pa. **Underwriter**—Kidder, Peabody & Co., New York (managing).

★ Thurow Electronics, Inc.
July 20, 1961 ("Reg. A") 41,500 class A common shares (par $2.50) and 83,000 class A common shares (par $1) to be offered in units consisting of one class A and two class B common shares. **Price**—By amendment. **Proceeds**—For repayment of loans and inventory. **Office** — 121 S. Water St., Tampa. **Underwriter** — Miller Securities Corp., Atlanta, Ga.

Tinsley Laboratories, Inc.
June 29, 1961 ("Reg. A") 100,000 capital shares (par 16⅔ cents). **Price**—$3. **Proceeds**—For repayment of loans, purchase of equipment and working capital. **Office**—2448 Sixth St., Berkeley, Calif. **Underwriter**—Troster, Singer & Co., New York.

★ Tor Education, Inc.
July 28, 1961 filed 100,000 capital shares. **Price** — By amendment. **Business**—The production of self instructional courses and devices. **Proceeds**—For purchase of equipment, new products and other corporate purposes. **Office**—65 Prospect St., Stamford, Conn. **Underwriter**—F. L. Rossman & Co., New York (managing).

• Transcontinent Television Corp.
May 25, 1961 filed 400,000 outstanding shares of class B common stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The operation of six television and seven radio broadcasting stations. **Proceeds**—For the selling stockholders. **Office** — 70 Niagara St., Buffalo, N. Y. **Underwriters**—Carl M. Loeb, Rhoades & Co., and Bear, Stearns & Co., both of New York City (managing). **Offering**—Imminent.

Transcontinental Investment Co.
March 15, 1961 (letter of notification) 120,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—For advances to subsidiaries. **Office**—278 S. Main Street, Salt Lake City, Utah. **Underwriter**—Continental Securities Corp., 627 Continental Bank Building, Salt Lake City, Utah.

Trans-World Financial Co.
June 26, 1961 filed 185,000 common shares of which 75,000 shares are to be offered by the company and 110,000 shares by stockholders. **Price**—By amendment. **Business**—A holding company with subsidiaries in the savings and loan, real estate and insurance fields. **Proceeds** — For repayment of loans and working capital. **Office**—9460 Wilshire Blvd., Beverly Hills. **Underwriter**—William R. Staats & Co., Los Angeles (managing).

• Transvision Electronics, Inc. (8/28-9/1)
June 29, 1961 filed 140,000 common shares. **Price**—By amendment. **Business**—The manufacture of specialized TV equipment. **Proceeds**—For expansion, repayment of debt and working capital. **Office**—460 North Avenue, New Rochelle, N. Y. **Underwriter**—Adams & Peck, New York.

Trebor Oil Co. Ltd.
May 1, 1961 filed $150,000 of limited partnership interests to be offered for public sale in 150 units. **Price**—$1,000 per unit. **Proceeds**—For the acquisition of oil leases and the development of, thereof. **Office**—213 First National Bank Building, Abilene, Texas. **Underwriter**—None.

Tresco, Inc. (8/30)
June 5, 1961 filed 100,000 common shares. **Price**—$5. **Business**—Manufacturers transformers for electronic equipment. **Proceeds**—For the repayment of debt, research and development, to finance a new subsidiary and for other corporate purposes. **Office**—3824 Terrance St., Philadelphia. **Underwriter**—Amos Treat & Co., New York (managing).

Triangle Instrument Co. (8/14-18)
March 30, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business** — The manufacture of precision instruments and components. **Proceeds**—For equipment, inventory, the repayment of debt, and working capital. **Office**—Oak Drive and Cedar Place, Syosset, L. I., N. Y. **Underwriter**—Armstrong & Co., Inc., New York City.

Tri Metal Works, Inc.
June 29, 1961 filed 68,000 outstanding common shares to be offered by the stockholders. **Price**—At the market. **Business** — The designing, converting and equipping trucks used in sale of ice cream, etc. It also engages in the research, design and manufacture of vacuum furnaces, ovens and components in the fabrication of metal equipment for the food, pharmaceutical and chemical industries. **Proceeds**—For the selling stockholders. **Office**—Bennard & Warrington Sts., East Riverton, N. J. **Underwriters**—R. L. Scheinman & Co., New York and Blaha & Co., Inc., Long Island City, N. Y.

Trinity Funding Corp. (8/21-25)
June 19, 1961 filed 250,000 common shares. **Price**—$6. **Business**—A consumer and industrial finance company. **Proceeds**—For working capital. **Office**—1107 Broadway, New York. **Underwriter**—Trinity Securities Corp., 40 Exchange Place, New York.

Tungsten Mountain Mining Co.
April 7, 1961 (letter of notification) 400,000 shares of common stock (par 25 cents). **Price** — 62½ cents per share. **Proceeds**—For mining expenses. **Office**—511 Securities Bldg., Seattle, Wash. **Underwriter**—H. P. Pratt & Co., Inc., Seattle, Wash.

Turbodyne Corp.
May 10, 1961 filed 200,000 shares of common stock. **Price**—$2 per share. **Business** — The research, development, manufacturing and marketing of space and rocket engines, and related activities. **Proceeds**—For research and development, and working capital. **Office**—1346 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—T. J. McDonald & Co., Washington, D. C.

Turf & Paddock, Inc.
June 26, 1961 ("Reg. A") 100,000 common shares (par one cent). **Price**—$3. **Proceeds**—For working capital. **Office**—One State St., Boston. **Underwriter**—Shawe & Co., Inc., Washington, D. C.

Union Leagues, Inc.
June 28, 1961 filed $700,000 of 7% subordinated sinking fund debentures due 1976 (with attached warrants) and 140,000 common shares to be offered in units consisting of 80 common shares and $400 of debentures. **Price**—$800 per unit. **Business**—The operation of bowling centers. **Proceeds**—For repayment of debt, acquisition of a warehouse and working capital. **Office**—11459 E. Imperial Highway, Norwalk, Calif. **Underwriter** — Holton, Henderson & Co., Los Angeles.

★ United Hardware Distributing Co.
July 12, 1961 ("Reg. A") 484 shares of 5% cumulative preferred stock (par $100) and 3,660 common shares (par $50) to be offered to certain stockholders and retail hardware dealers. **Price**—For the preferred $100; for the common, $50. **Proceeds**—For working capital. **Office**—2432 N. 2nd St., Minneapolis. **Underwriter**—None.

United Investors Corp. (8/28-9/1)
May 26, 1961 filed 76,109 shares of class A stock. **Price**—$10 per share. **Business**—The company plans to acquire 15 realty properties in eight states. **Proceeds**—For the repayment of debt, property acquisitions, and working capital. **Office**—60 E. 42nd Street, New York City. **Underwriter**—None.

★ U. S. Dielectric Inc.
July 24, 1961 ("Reg. A")99,990 common shares (par 10 cents). **Price**—$3. **Business**—The manufacture and distribution of epoxy resins for potting uses. **Proceeds**—For repayment of loans, research and development, moving expenses and working capital. **Office** — Leominster, Mass. **Underwriter**—Richard Bruce & Co., Inc., New York.

U. S. Fiberglass Products Co. (8/8)
April 27, 1961 filed 200,000 shares of common stock. **Price**—$2 per share. **Business**—The company plans to manufacture fiberglass shingles, beams, purlin and other materials. **Proceeds** — For working capital, inventory and equipment, and sales promotion. **Office** — Clarkville, Texas. **Underwriter**—Hauser, Murdock, Rippey & Co., Dallas, Texas.

U. S. Home & Development Corp. (8/17)
May 11, 1961 filed 300,000 shares of class A capital stock. **Price**—To be supplied by amendment. **Business** — The planning, development and marketing of single-family-home communities in New Jersey. **Proceeds**—For the repayment of loans, purchase of land and development of properties. **Office** — 52 Neil Ave., Lakewood, N. J. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C., and New York City.

★ U. S. Markets, Inc.
July 31, 1961 filed 200,000 common shares, of which 160,000 shares are to be offered by the company and 40,000 shares by a stockholder. **Price**—$5. **Business**—The operation of a chain of supermarkets and other retail food stores in the San Francisco area. **Proceeds**—For repayment of loans, working capital and general corporate purposes. **Office**—60 Fallon Street, Oakland, Calif. **Underwriter**—Stanley Heller & Co., New York.

• U. S. Plastic & Chemical Corp. (8/28-9/1)
July 11, 1961 filed 125,000 common shares. **Price** — By amendment. **Business**—The manufacture of plastic materials for use by the button and novelty industries. **Proceeds**—For the repayment of debt, expansion, and working capital. **Office** — Metuchen, N. J. **Underwriter**—Adams & Peck, New York.

• United Variable Annuities Fund, Inc.
April 11, 1961 filed 2,500,000 shares of stock. **Price**—$10 per share. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—20 W. 9th Street, Kansas City, Mo. **Underwriter**—Waddell & Reed, Inc., Kansas City, Mo. **Offering**—Expected in early November.

Universal Health, Inc.
June 14, 1961 ("Reg. A") 100,000 common shares. **Price**—$3. **Business** — The operation of a chain of health studios. **Proceeds**—For expansion, advertising, financing of time payment memberships and other corporate purposes. **Office**—15A South Main St., West Hartford, Conn. **Underwriter**—Cortlandt Investing Corp., 120 Wall St., New York.

Universal Moulded Fiber Glass Corp.
June 18, 1961 filed 275,000 outstanding common shares to be sold by stockholders. **Price**—$10. **Business**—The manufacture of fiber glass reinforced plastic. **Proceeds**—For the selling stockholders. **Address**—Commonwealth Ave., Bristol, Va. **Underwriter**—A. G. Edwards & Sons, St. Louis (managing).

Universal Publishing & Distributing Corp.
June 28, 1961 filed 50,000 6% cumulative preferred shares (par $10) and 50,000 common shares to be offered in units, each consisting of one preferred share and one common share. **Price**—$15 per unit. **Business**—The publishing of magazines and paper bound books. **Proceeds**—For expansion, additional personnel, sales promotion, working capital and other corporate purposes. **Office**—117 E. 31st Street, N. Y. **Underwriter**—Allen & Co., New York.

★ Universal Surgical Supply Inc.
Aug. 1, 1961 filed 200,000 common shares, of which 100,000 will be offered for public sale and 100,000 to stockholders of Houston Fearless Corp., parent company, on the basis of one share for each 30 shares held of record Sept. 1. **Business** — The sale of medicine, surgical and laboratory equipment manufactured by others. **Proceeds**—For the repayment of debt. **Office** — 9107 Wilshire Blvd., Beverly Hills, Calif. **Underwriter** — Dempsey-Tegeler & Co., Inc., St. Louis.

★ Upjohn Co.
July 28, 1961 filed 633,400 common shares. **Price** — By amendment. **Business**—The manufacture of drugs. **Proceeds**—For the selling stockholders. **Office**—7000 Portage Rd., Kalamazoo, Mich. **Underwriter**—Morgan Stanley & Co., New York (managing).

Vacu-Dry Co.
June 27, 1961 filed 400,000 common shares. **Price**—By amendment. **Proceeds** — For expansion, repayment of bank loans and working capital. **Office** — 950 56th St., Oakland, Calif. **Underwriter**—Wilson, Johnson & Higgins, San Francisco (managing).

Valley Title & Trust Co.
June 13, 1961 filed 120,000 common shares. **Price**—$5. **Business**—The writing and selling of title insurance and the acting as trustee and escrow agent. **Proceeds**—For working capital, reserves and other corporate purposes. **Office**—1001 North Central Ave., Phoenix, Ariz. **Underwriter** — Louis R. Dreyling & Co., 25 Livingston Ave., New Brunswick, N. J.

★ Valve Corp. of America
July 26, 1961 filed 160,000 common shares, of which 75,000 shares are to be offered by the company and 70,000 shares by stockholders. **Price**—$7. **Business**—The manufacture of valves and accessories for aerosol containers. **Proceeds**—For repayment of debt and working capital. **Office**—1720 Fairfield Ave., Bridgeport, Conn. **Underwriter** — Lomasney, Loving & Co., New York (managing).

★ Varitron Corp.
July 25, 1961 filed 100,000 shares of common stock. **Price**—$2. **Business** — The manufacture of electronic items, principally TV and radio parts. **Proceeds**—For equipment, financing of merchandise, imports and accounts receivable and working capital. **Office** — 397 Seventh Ave., Brooklyn, N. Y. **Underwriter** — Kenneth Kass, New York.

• Vatronic Lab. Equipment, Inc.
May 29, 1961 filed 80,000 shares of common stock. **Price**—$4 per share. **Business**—The manufacture of industrial high vacuum systems and equipment. **Proceeds** — For the repayment of debt, plant expansion, equipment, sales promotion and working capital. **Office**—Northport, N. Y. **Underwriter** — Stanley R. Ketcham & Co., New York. **Offering**—Expected in late August.

• Vic Tanny Enterprises, Inc. (8/7)
May 11, 1961 filed 320,000 shares of class A common stock (par 10 cents) of which 120,000 shares will be offered for the account of the company and 200,000 shares by the present holder thereof. **Price**—To be supplied by amendment. **Business**—The operation of a national chain of gymnasiums and health centers for men and women. **Proceeds**—The company will use its part of the proceeds for the opening of new gymnasiums and the promotion of home exercise equipment. **Office**—375 Park Ave., New York City. **Underwriter**—S. D. Fuller & Co., New York City.

• Vinco Corp. (8/14)
May 19, 1961 filed $2,000,000 of 6% convertible subordinated debentures due 1976. **Price**—At 100% of principal amount. **Business**—The production of gauges and measuring instruments and the manufacture of precision parts and subassemblies for the aircraft, missile and

other industries. **Proceeds**—For the repayment of debt, expansion, working capital and reserves for possible future acquisitions. **Office**—9111 Schaefer Highway, Detroit, Mich. **Underwriter**—S. D. Fuller & Co., New York City (managing).

★ Vol-Air, Inc.
July 27, 1961 ("Reg. A") 96,000 common shares (par one cent). **Price**—$2.50. **Business**—The manufacture of a patented heat and mass transfer system. **Proceeds**—For equipment, filing of patents, inventory, advertising and promotion. **Address**—2 West 45th Street, New York. **Underwriter**—Glass & Ross, Inc., 60 E. 42nd Street, New York 17, N. Y.

★ Voron Electronics Corp.
July 28, 1961 filed 100,000 class A shares. **Price** — $3. **Business**—The manufacture of electronic test equipment, the sale, installation and servicing of industrial and commercial communications equipment and the furnishing of background music. **Proceeds**—For tooling, production, engineering, inventory and sales promotion of its products and for working capital. **Office** — 1230 E. Mermaid Lane, Wyndmoor, Pa. **Underwriters** — John Joshua & Co., Inc., and Reuben Rose & Co., New York.

Wagner Baking Corp.
July 5, 1961 filed 50,637 outstanding common shares. **Price**—At-the-market. **Business**—The manufacture of pies, cakes and other pastries and the distribution of frozen foods. **Proceeds**—For the selling stockholders. **Office**—13 Vesey St., Newark. **Underwriter**—None.

Wainrite Stores, Inc.
June 23, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The operation of discount merchandising centers. **Proceeds**—For repayment of loans, expansion and working capital. **Office**—691 E. Jericho Turnpike, Huntington Station, N. Y. **Underwriter**—Omega Securities Corp., New York.

★ Wald Research, Inc.
July 26, 1961 filed 65,000 common shares. **Price** — $5. **Business** — The manufacture of ground support equipment for the aircraft, misisle and related industries. **Proceeds**—For repayment of loans, purchase of equipment and inventory, working capital and general corporate purposes. **Office**—79 Franklin Turnpike, Mahwah, N. J. **Underwriters** — Martinelli & Co., New York and E. R. Davenport & Co., Providence, R. I.

● Waldbaum, Inc.
July 21, 1961 filed 183,150 common shares, of which 120,000 shares are to be offered by the company and 63,150 shares by the stockholders. **Price**—By amendment. **Business**—The operation of a supermarket chain and the wholesaling of food products. **Proceeds**—For repayment of loans, expansion, inventory and other corporate purposes. **Office**—2300 Linden Boulevard, Brooklyn, N. Y. **Underwriter** — Shields & Co., New York (managing). **Offering**—Expected in late September.

Walter Sign Corp. (9/15)
March 30, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business** — The manufacture and installation of highway signs. **Proceeds**—For the reduction of debt, sales promotion, inventory and reserves. **Office**—4700 76th St., Elmhurst, L. I., N. Y. **Underwriter**—Amber, Burstein & Co., 40 Exchange Place, New York 5, N. Y.

● Washington Engineering Services Co., Inc. (9/1)
June 29, 1961 filed 375,000 common shares. **Price**—$1. **Business**—The servicing of manufacturing companies and engineering professions, through various training programs. **Proceeds**—For leasehold improvement, repayment of loans and working capital. **Office**—4915 Cordell Avenue, Bethesda, Md. **Underwriter**—None.

Water Industries Capital Corp.
July 21, 1961 filed 964,100 common shares. **Price**—$11. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—122 E. 42nd Street, New York. **Underwriter**—Hornblower & Weeks, New York (managing).

Wesco Industries, Inc.
July 19, 1961 ("Reg. A") 80,000 common shares. **Price**—$3. **Business**—The manufacture of pumps, mist coolant general tanks and machine component parts for the missile industries. **Proceeds**—For moving expenses, equipment, research and development, and working capital. **Office** — Burbank, Calif. **Underwriter** — First Madison Corp., New York.

West Coast Bowling Corp. (8/30)
May 26, 1961 filed 128,434 shares of common stock, of which 115,000 shares are to be offered for public sale by the company and 13,434 outstanding shares by the present holders thereof. **Price**—$9.75 per share. **Business**—The company plans to acquire and operate bowling centers primarily in California. **Proceeds**—For general corporate purposes. **Office**—3300 West Olive Avenue, Burbank, Calif. **Underwriter**—Hill Richards & Co. Inc., Los Angeles (managing).

Western Factors, Inc.
June 29, 1960 filed 700,000 shares of common stock. **Price**—$1.50 per share. **Proceeds**—To be used principally for the purchase of additional accounts receivable and also may be used to liquidate current and long-term liabilities. **Office** — 1201 Continental Bank Bldg., Salt Lake City, Utah. **Business**—Factoring. **Underwriter**—Elmer K. Aagaard, Newhouse Bldg., Salt Lake City, Utah.

Western Union Telegraph Co. (9/8)
July 12, 1961 filed 1,075,791 common shares to be offered for subscription by stockholders on the basis of one new share for each six shares held of record Sept. 8, 1961. **Price**—By amendment. **Proceeds**—For repayment of loans and expansion. **Office**—60 Hudson St., New York. **Underwriters**—Kuhn, Loeb & Co. and Lehman Brothers, New York (managing).

Wetterau Foods, Inc.
June 27, 1961 filed 100,000 common shares. **Price**—By amendment. **Proceeds**—For new equipment and working capital. **Office** — 7100 Englewood Ave., Hazelwood, Mo. **Underwriter** — G. H. Walker & Co., Inc., New York (managing).

Wilco Commercial Corp.
July 21, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The financing of business institutions. **Proceeds**—For working capital. **Office**—350 Fifth Avenue, New York. **Underwriter**—A. J. Gabriel Co., Inc., New York.

Wisconsin Power & Light Co. (8/15)
July 17, 1961 filed 65,000 cumulative preferred shares (par $100) of which 50,000 shares will be offered to public and 15,000 shares to employees and preferred stockholders of record Aug. 10, 1961, with rights to expire Aug. 30, 1961. **Price**—By amendment. **Proceeds**—For construction. **Office**—122 W. Washington Avenue, Madison 1, Wis. **Underwriters**—Smith, Barney & Co., New York and Robert W. Baird & Co., Inc., Milwaukee (managing).

Wonderbowl, Inc.
Feb. 6, 1961 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds**—To discharge a contract payable, accounts payable, and notes payable and the balance for working capital. **Office**—7805 Sunset Blvd., Los Angeles, Calif. **Underwriter**—Standard Securities Corp., Los Angeles, Calif.

★ World Scope Publishers, Inc.
July 31, 1961 filed 300,000 common shares. **Price**—By amendment. **Business**—The publishing of encyclopedias and other reference books. **Proceeds**—For repayment of debt, working capital and general corporate purposes. **Office**—290 Broadway, Lynbrook, N. Y. **Underwriter**—Standard Securities Corp., New York.

World Wide Bowling Enterprises, Inc.
July 20, 1961 filed 130,000 common shares. **Price**—$4. **Business**—The operation of bowling centers. **Proceeds**—For repayment of debt, expansion and working capital. **Office**—2044 Chestnut Street, Philadelphia. **Underwriter**—Fraser & Co., Philadelphia.

Wyoming Wool Processors, Inc.
June 5, 1961 filed 700,000 common shares. **Price**—$1. **Business**—The processing of wool. **Proceeds**—For the purchase of equipment, building rental, and working capital. **Address**—Box 181, Casper, Wyo. **Underwriter**—None.

XTRA, Inc.
June 28, 1961 filed 182,570 common shares of which 160,000 shares are to be offered by the company and 22,570 shares by stockholders. **Price**—By amendment. **Business**—The leasing of truck trailers to railroads or customers of railroads. **Proceeds**—For repayment of debt and for working capital. **Office**—150 Causeway Street, Boston. **Underwriter**—Putnam & Co., Hartford, Conn. (managing).

Yardney Electric Corp.
July 18, 1961 filed 200,000 common shares. **Price**—By amendment. **Business**—The manufacture of silver-zinc primary and rechargeable batteries. **Proceeds**—For purchase and installation of equipment and property, working capital and other corporate purposes. **Office**—40-52 Leonard St., New York. **Underwriter**—Kidder, Peabody & Co., Inc., New York.

York Research Corp.
June 28, 1961 filed 75,000 class A shares. **Price**—By amendment. **Business**—The testing of industrial and consumer products. **Proceeds**—For the establishment of a new laboratory and the purchase of equipment. **Office**—1 Atlantic Street, Stamford, Conn. **Underwriter**—Allen & Co., New York (managing).

★ Zep Aero
July 28, 1961 filed 50,000 common shares, of which 30,000 shares are to be offered by the company and 20,000 shares by a stockholder. **Price**—By amendment. **Business**—The manufacture of oxygen systems and accessories for aircraft. **Proceeds** — For inventory, plant improvement, equipment and working capital. **Office**—113 Sheldon St., El Segundo, Calif. **Underwriter**—Francis J. Mitchell & Co., Inc., Newport Beach, Calif.

Zion Foods Corp.
July 20, 1961 filed 110,000 common shares, of which 90,000 shares are to be offered by the company and 20,000 shares by a selling stockholder. **Price**—$5. **Business**—The processing of meat and poultry. **Proceeds**—For inventory and plant expansion. **Office**—482 Austin Place, Bronx, N. Y. **Underwriter**—Finkle & Co., New York (managing).

Prospective Offerings

Adrian Steel Co.
June 30, 1961 it was reported that a "Reg. A" will be filed with the SEC shortly covering 100,000 common shares (par 50c). **Price**—$3. **Business**—Automotive fabricating. **Proceeds**—To establish a new industrial air conditioner division. **Office**—Adrian, Mich. **Underwriter**—Morrison & Frumin, Inc., Detroit.

All-American Airways Co.
May 1, 1961 it was reported that a "Reg. A" will be filed shortly covering 75,000 shares of common stock. **Price**—$4 per share. **Office**—Danbury, Conn. **Underwriter**—Edward Lewis Co. Inc., New York City (managing).

Appalachian Power Co.
Feb. 1, 1961 it was reported that this subsidiary of American Electric Power Co., Inc., plans to sell $35,000,000 to $40,000,000 of bonds late in 1961 or early in 1962. **Office**—2 Broadway, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp.; Harriman Ripley & Co., Inc.; Kuhn, Loeb & Co. and Eastman Dillon, Union Securities & Co. (jointly).

Arizona Public Service Co.
May 26, 1961 it was reported that this company is considering the sale of about $5,000,000 of preferred stock this summer and about $35,000,000 of first mortgage bonds in November. **Proceeds**—For construction. **Office**—501 South Third Ave., Phoenix, Ariz. **Underwriters**—To be named. The last sale of preferred stock on June 18, 1958 was made privately through Blyth & Co., and the First Boston Corp. The last sale of bonds on March 26, 1959 was also handled privately through Blyth & Co., and First Boston Corp. However, the company stated that there is a possibility that these bonds will be sold at competitive bidding, in which case the following are expected to bid on them: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; First Boston Corp.; Blyth & Co.; White, Weld & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc.

Baltimore Gas & Electric Co.
May 15, 1961 it was reported that this company plans to issue about $20,000,000 of first mortgage bonds in late 1961 or early 1962. **Office** — Lexington and Liberty Streets, Baltimore 3, Md. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co., and First Boston Corp. (jointly); Harriman Ripley & Co., Inc., and Alex. Brown & Sons (jointly).

★ Bay State Electronics Corp.
Aug. 2, 1961 it was reported that this company plans to file a registration shortly covering about 270,000 common shares to raise some $2,500,000. **Business**—Research, development and production of items in the fields of medical electronics, etc. **Proceeds** — For expansion and working capital. **Office**—43 Leon St., Boston, Mass. **Underwriter**—S. D. Fuller & Co., New York (managing).

Best Plastic Corp.
July 25, 1961 it was reported that this company plans to file a "Reg. A" shortly covering 125,000 common shares. **Price**—$3. **Business**—The manufacture of plastic party favors for children. **Proceeds**—For expansion. **Office**—945 39th St., Brooklyn, N. Y. **Underwriters**—S. B. Cantor Co., and John R. Maher Associates, New York.

Carbonic Equipment Corp.
June 28, 1961 it was reported that a "Reg. A" will be filed covering 100,000 common shares. **Price** $3. **Proceeds**—For expansion of the business. **Office**—97-02 Jamaica Ave., Woodhaven, N. Y. **Underwriter** — R. F. Dowd & Co., Inc.

Caxton House Corp.
Jan. 24, 1960 it was reported that a full filing of this company's stock, constituting its first public offering, will be made. **Price**—Approximately $3 per share. **Business**—Book publishing. **Office**—9 Rockefeller Plaza, New York City. **Underwriter**—To be named.

Central Louisiana Electric Co., Inc.
Feb. 21, 1961 it was reported that the company is considering the issuance of $6,000,000 of bonds or debentures in the latter part of 1961. **Office** — 415 Main St., Pineville, La. **Underwriters**—To be named. The last issue of bonds on April 21, 1959 was bid on by Kidder, Peabody & Co. and Rauscher, Pierce & Co., Inc. (jointly); Salomon Bros. & Hutzler, and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co., Inc.; White, Weld & Co.

Cincinnati Gas & Electric Co.
Feb. 16, 1961 it was stated in the company's 1960 annual report that this utility plans to sell both first mortgage bonds and common stock in 1962 to finance its $45,000,000 construction program. **Office**—Fourth & Main Sts., Cincinnati, O. **Underwriter**—(Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. and Lehman Brothers (jointly); Morgan Stanley & Co. and W. E. Hutton & Co. (jointly); Blyth & Co., Inc., and First Boston Corp. (jointly); Eastman Dillon, Union Securities & Co., and White, Weld & Co. (jointly). The last issue of common stock (81,510 shares) was sold privately to employees in August, 1960.

Colorado Interstate Gas Co.
Oct. 17, 1960 it was reported by Mr. A. N. Porter of the company's treasury department that the company is awaiting a hearing before the full FPC with reference to approval of its application for expansion of its system, which will require about $70,000,000 of debt financing which is expected in the latter part of 1961. **Proceeds**—For expansion. **Office**—P. O. Box 1087, Colorado Springs, Colo.

Columbia Gas System, Inc.
April 24, 1961 it was reported that this company is considering the sale of either $20,000,000 of debentures, or $25,000,000 of common stock in the fall. **Office**—120 East 41st Street, New York 17, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders on

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the debentures: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc., and White, Weld & Co. (jointly). The last sale of common stock on May 4, 1960 was handled by a group headed by Merrill Lynch, Pierce, Fenner & Smith Inc.; Shields & Co.; R. W. Pressprich & Co., and Carl M. Loeb, Rhoades & Co.

Columbus & Southern Ohio Electric Co.
March 13, 1961 it was reported the company will sell about $10,000,000 additional common stock in late 1961. **Proceeds**—For expansion purposes. **Office**—215 N. Front St., Columbus 15, Ohio. **Underwriter**—Dillon, Read & Co.

Commonwealth Edison Co.
July 12, 1961 it was reported that the company plans to spend $720,000,000 on construction in the five-year period 1961-65 and that the program would require $150,000,000 of outside financing. Present plans call for $40,000,000 of debt financing in 1962 and about $20,000,000 in each of the following three years. No common or preferred stock financing is planned during the period. **Office** — 72 West Adams St., Chicago 90, Ill. **Underwriters** — To be determined by competitive bidding. Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; Glore, Forgan & Co.

Consolidated Edison Co. of New York, Inc.
May 16, 1961, H. C. Forbes, chairman, stated that the company must issue almost $100,000,000 of securities in late 1961 and early 1962. He added that if the company decides to issue any of the 1,000,000 shares of cumulative preference stock approved by shareholders at the May 15 annual meeting, it will be on the basis of convertibility into common with subscription rights to common shareholders. **Office**—4 Irving Place, New York City. **Underwriter**—To be named. The last rights offering to stockholders (of debentures) on Jan. 28, 1959 was underwritten by Morgan Stanley & Co., and First Boston Corp., both of New York City. The last sale of bonds on Nov. 23, 1960 was handled by First Boston Corp., and Halsey, Stuart & Co., Inc. (jointly). Morgan Stanley & Co., also bid competitively on this issue.

Cosmetically Yours, Inc.
May 16, 1961 it was reported that this corporation is contemplating a public offering. **Business**—The manufacturing and sale of cosmetics. **Office** — 15 Clinton Street, Yonkers, N. Y. **Underwriter**—P. J. Gruber & Co., Inc., New York City.

● **Contact Lens Guild, Inc.**
June 19, 1961 it was reported that this company plans to file a "Reg. A" shortly covering an undisclosed number of common shares. **Business**—The manufacture of contact lenses. **Office**—353 East Main St., Rochester, N.Y. **Underwriter**—To be named. **Offering**—Expected in Dec.

Cowles Magazine & Broadcasting, Inc.
May 3, 1961 it was reported that this corporation will issue stock later this year. The firm denied the report. **Business** — Publishing and allied fields. **Office** — 488 Madison Ave., New York City. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

Delaware Power & Light Co.
Feb. 7, 1961 it was reported that the company has postponed until early 1962 its plan to issue additional common stock. The offering would be made to common stockholders first on the basis of one share for each 10 shares held. Based on the number of shares outstanding on Sept. 30, 1960, the sale would involve about 418,536 shares valued at about $14,600,000. The last offering of common to stockholders in June, 1956, consisted of 232,520 shares offered at $35 a share to holders of record June 6, on the basis of one share for each eight shares held. **Proceeds**—For construction. **Office**—600 Market Street, Wilmington, Del. **Underwriter**—To be determined by competitive bidding. Probable bidders: Carl M. Loeb, Rhoades & Co., New York; W. C. Langley & Co., and Union Securities Co. (jointly); Lehman Brothers; First Boston Corp.; White, Weld & Co., and Shields & Co. (jointly); Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

Dixie Pipeline Co.
April 17, 1961 it was reported that this firm, recently formed by eight major oil companies, plans to build a 1,100 mile liquified petroleum gas pipeline from Texas and Louisiana to Mississippi, Alabama, Georgia and the Carolinas. It is expected that the multi-million dollar pipeline will be financed in part by the sale of bonds and that it will be in operation by late 1961. **Office**—Tulsa, Okla. **Underwriters**—First Boston Corp.; Morgan Stanley & Co.: Carl M. Loeb, Rhoades & Co.

Exploit Films, Inc.
March 8, 1961 it was reported that this company plans a full filing covering 100,000 common shares. **Price**—$5 per share. **Proceeds**—For the production of TV and motion picture films, the reduction of indebtedness, and for working capital. **Office**—619 W. 54th Street, New York City. **Underwriter**—McClane & Co., Inc., 26 Broadway, New York City (managing).

First National Bank of Toms River (N. J.)
March 22, 1961 it was reported that stockholders voted on this date to increase the authorized stock to provide for payment of a 66⅔% stock dividend and sale of 20,000 new shares of common (par $5) to stockholders on the basis of one new share for each 20 shares held of record July 17, with rights to expire Aug. 17. **Price** — $22 per share. **Proceeds**—To increase capital. **Office**—Toms River, N. J. **Underwriter**—None.

Florida Power & Light Co.
May 11, 1961, it was reported that the company may issue bonds in the second half of 1961 to finance its current $40,000,000 construction program. **Office**—25 S. E. 2nd Ave., Miami, Fla. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co., Inc.; White, Weld & Co.; First Boston Corp.; Blyth & Co., Inc.

Gabriel Co.
April 27, 1961, the company announced plans to form a new subsidiary, Rocket Power, Inc., by merging the present Rocket Power, Talco and Bohanan divisions. In the fall of 1961, stock of the new subsidiary would be offered through subscription rights to Gabriel stockholders and debenture holders with about 20% of the offering going to the public. **Office** — 1148 Euclid Avenue, Cleveland, Ohio. **Underwriters**—To be named. The last financing by the company in September, 1959, was handled by Carl M Loeb, Rhoades & Co., New York City and Prescott, Shepard & Co., Inc., Cleveland.

General Public Utilities Corp.
March 14, 1961 it was stated in the company's 1960 annual report that the utility expects to sell additional common stock to stockholders in 1962 through subscription rights on the basis of one share for each 20 shares held. Based on the 22,838,454 common shares outstanding on Dec. 31, 1960, the offering will involve a minimum of 1,141,922 additional shares. **Office**—67 Broad St., New York 4, N. Y. **Underwriter**—None.

General Telephone Co. of California
Feb. 1, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp. plans to sell about $20,000,000 of bonds in December 1961. **Office** — 2020 Santa Monica Blvd., Santa Monica, Calif. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp. and Equitable Securities Corp. (jointly); White, Weld & Co. and Kidder, Peabody & Co. (jointly); Paine, Webber, Jackson & Curtis, and Stone & Webster Securities Corp.

General Telephone Co. of Florida
Feb. 8, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp., expects to offer about $15,000,000 of bonds in November. **Office** — 610 Morgan St., Tampa, Fla. **Underwriters**—Stone & Webster Securities Corp., and Paine, Webber, Jackson & Curtis, both of New York City.

● **Georgia Bonded Fibers, Inc.**
Sept. 14, 1960 it was reported that registration of 150,000 shares of common stock is expected. **Offices**—Newark, N. J., and Buena Vista, Va. **Underwriter**—Sandkuhl and Company, Newark, N. J., and New York City. **Offering**—Expected in October.

Georgia Power Co. (10/18)
Dec. 29, 1960 this subsidiary of the Southern Co., applied to the Georgia Public Service Commission for permission to issue $15,500,000 of 30-year first mortgage bonds, and $8,000,000 of new preferred stock. **Proceeds**—For construction, plant modernization or refunding of outstanding debt. **Office**—Electric Bldg., Atlanta 3, Ga. **Underwriters** — To be determined by competitive bidding. Previous bidders for bonds included Harriman Ripley & Co., Inc.; Lehman Brothers; Blyth & Co., Inc., Kidder, Peabody & Co., and Shields & Co. (jointly); First Boston Corp.; Morgan Stanley & Co.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp., Eastman Dillon, Union Securities & Co. (jointly). Previous bidders for preferred were First Boston Corp., Lehman Brothers, Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.; and Equitable Securities Corp. **Bids**—Expected to be received on Oct. 18.

● **Gulf, Mobile & Ohio RR. (8/9)**
July 26, 1961 it was reported that this company plans to sell about $3,600,000 of ½ to 15 year equipment trust certificates. **Office**—104 St. Francis St., Mobile, Ala. **Underwriters** — Competitive. Probable bidders: Salomon Brothers & Hutzler and Halsey, Stuart & Co. Inc. **Bids**—To be received Aug. 9 at Noon (CDST) in Chicago.

Gulf Power Co. (12/7)
Jan. 4, 1960 it was reported that this subsidiary of The Southern Co., plans to sell $5,000,000 of 30-year bonds. **Office**—75 North Pace Blvd., Pensacola, Fla. **Underwriter**—To be determined by competitive bidding. Previous bidders included Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Salomon Bros. & Hutzler and Drexel & Co. (jointly); Equitable Securities Corp.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Bids**—Expected to be received on Dec 7, 1961.

★ **Gulf States Utilities Co. (10/3)**
July 25, 1961 it was reported that this company plans to issue about $15,000,000 of debentures. **Office** — 285 Liberty Ave., Beaumont, Texas. **Underwriters** — Competitive. Probable bidders: Salomon Brothers & Hutzler and Eastman Dillon, Union Securities & Co. (jointly); Lehman Brothers; Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc., and White, Weld & Co. (jointly); Stone & Webster Securities Corp. **Bids**—Oct. 3, 1961 at 11 a.m. **Information Meeting**—Sept. 28 (11 a.m. EDST) at 70 Broadway (18th floor) New York City.

Hawaiian Telephone Co.
March 8, 1961 it was reported that this company plans to sell about $5,000,000 of common stock to stockholders through subscription rights later this year. **Office**—1130 Alakea St., Honolulu, Hawaii. **Underwriter**—None.

Hollywood Artists Productions, Inc.
June 20, 1961 it was reported that this company plans to file a "Reg. A" shortly covering 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The production of motion picture and TV feature films. **Proceeds** — For working capital and other corporate purposes. **Office**—350 Lincoln Road, Miami Beach, Fla. **Underwriter**—A. M. Shulman & Co., Inc., 37 Wall Street, New York.

● **Houston Fearless Corp.**
Feb. 27, 1961, Barry J. Shillito, President, stated that the company plans to expand its Western Surgical and Westlab divisions into a new national medical and hospital supply concern. He added that 80% of the new firm's stock would be retained by Houston and the remaining 20% sold to the public. **Office** — 11801 W. Olympic Blvd., Los Angeles 64, Calif. **Offering** — Expected in mid-September.

Houston Lighting & Power Co.
Oct. 17, 1960 Mr. T. H. Wharton, President, stated that between $25-$35 million dollars is expected to be raised publicly sometime in 1961, probably in the form of preferred and debt securities, with the precise timing depending on market conditions. **Proceeds**—For construction and repayment of bank loans. **Office** — Electric Building, Houston, Texas. **Underwriter** — Previous financing was headed by Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler.

Hygrade Packing, Inc.
June 28, 1961 it was reported that this company plans to sell about $500,000 of common stock. **Business**—The manufacture of industrial and consumer packaging. **Proceeds**—For expansion. **Office**—92-00 Atlantic Avenue, Ozone Park, N. Y. **Underwriter**—P. J. Gruber, N. Y.

Idaho Power Co.
Jan. 10, 1961 it was reported that this company plans to sell $10,000,000 of bonds and about $5,000,000 of common in the fourth quarter of 1961. **Proceeds**—To repay loans and for construction. **Underwriters**—To be determined by competitive bidding. Probable bidders on the bonds: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; Lazard Freres & Co., and First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); Salomon Bros. & Hutzler, and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp. Probable bidders on the common: Blyth & Co., Inc.; Lazard Freres & Co.; Kidder, Peabody & Co.: Merrill Lynch, Pierce, Fenner & Smith Inc. **Offering**—Expected in late or early November.

Illinois Terminal RR.
Jan. 16, 1961 it was reported that this company plans the sale later this year of about $8,500,000 of first mortgage bonds. **Office**—710 North Twelfth Blvd., St. Louis, Mo. **Underwriter**—Halsey, Stuart & Co. Inc., Chicago.

● **John's Bargain Stores Corp.**
July 27, 1961 it was reported that this company plans to file a registration statement covering an undisclosed number of common shares. **Business**—The operation of a chain of discount stores selling household goods. **Office**—1200 Zerega Ave., Bronx, N Y. **Underwriter**—To be named. **Offering**—Expected in early 1962.

Kansas Power & Light Co.
March 15, 1961 it was reported that this company is considering the issuance of $13,000,000 of debentures in the third quarter of 1961. **Proceeds**—For construction. **Office**—800 Kansas Ave., Topeka, Kan. **Underwriter**—First Boston Corp., New York City (managing).

Laclede Gas Co.
Nov. 15, 1960 Mr. L. A. Horton, Treasurer, reported that the utility will need to raise $33,000,000 externally for its 1961-65 construction program, but the current feeling is that it will not be necessary to turn to long-term securities until May 1962. **Office** — 1017 Olive St., St. Louis, Mo.

Lone Star Gas Co.
July 26, 1961 it was reported that this company plans to sell an undisclosed amount of securities, possibly debentures, in September. **Business**—The company produces and distributes natural gas in Texas and Oklahoma. **Office**—301 South Harwood St., Dallas, Tex. **Underwriter**—To be named. The last issue of debentures in April 1957 was underwritten by First Boston Corp., New York, and associates.

Macrose Industries
May 2, 1961 it was reported that this company, formerly named Macrose Lumber & Trim Co., Inc., plans a full filing of about 500,000 common shares (par $1). **Business**—The company owns a chain of lumber yards on Long Island. **Office**—2060 Jericho Turnpike, New Hyde Park, L. I., N. Y. **Underwriter**—To be named.

Mainco Electronics & Marine Development Corp.
July 17, 1961 it was reported that a "Reg. A" will be filed shortly covering $300,000 of common stock. **Proceeds**—For general corporate purposes. **Address**—Booth Bay Harbor, Maine. **Underwriter**—Nance-Keith Corp., New York City.

Masters Inc.
Jan. 6, 1961 it was reported that this corporation is contemplating its first public financing. **Business**—The operation of a chain of discount houses. **Office**—135-21 38th Avenue, Flushing 54, L. I., N. Y.

McCulloch Corp.
Jan. 9, 1961 it was reported that this corporation will schedule its initial public financing for late 1961 or some time in 1962. **Business**—The corporation manufactures Scott outboard motors and McCulloch chain saws. **Office**—6101 West Century Blvd., Los Angeles, Calif.

Metropolitan Edison Co.
Feb. 1, 1961 it was reported that this subsidiary of General Public Utilities Corp., plans to sell about $10,000,000 of first mortgage bonds and $5,000,000 of debentures in August or September. **Office** — 2800 Pottsville Pike, Muhlenberg Township, Berks County, Pa. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Kidder, Peabody & Co. and Drexel & Co. (jointly); Blyth & Co., Inc.

● Metropolitan Food Co.
April 12, 1961 it was reported that this company plans to sell 150,000 common shares. **Price** — $4 per share. **Business** — Food distribution. **Proceeds** — For working capital. **Office** — 45-10 Second Ave., Brooklyn, N. Y. **Underwriters**—Brand, Grumet & Siegel, and Kesselman & Co., Inc., New York City (managing).

Metropolitan Telecommunications Corp.
July 5, 1961 it was reported that a fully registered secondary offering of this firm's stock will be made in September. **Office**—Ames Court, Plainview, L. I., New York. **Underwriter**—M. L. Lee & Co., Inc., New York (managing).

Milo Components, Inc.
June 19, 1961 it was reported that this company plans to file a "Reg. A" covering 150,000 common shares (par 10-cents). **Price**—$1. **Business**—The manufacture of components for the missile and aircraft industries. **Proceeds**—For expansion, equipment, and working capital. **Office**—9 Cleveland St., Valley Stream, N. Y. **Underwriter**—T. M. Kirsch & Co., New York.

Mississippi Power Co.
Jan. 4, 1961 it was reported that this subsidiary of The Southern Co., plans to sell publicly $5,000,000 of 30-year bonds and $5,000,000 of preferred stock (par $100). **Proceeds**—For construction and expansion. **Office**—2500 14th St., Gulfport, Miss. **Underwriter**—To be determined by competitive bidding. Previous bidders for bonds were Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. Previous bidders for preferred stock included Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly). **Note** — June 28, 1961 it was announced that this financing has been temporarily postponed.

Monterey Gas Transmission Co.
April 24, 1961 it was reported that Humble Oil & Refining Co., a subsidiary of Standard Oil Co. of New Jersey, and Lehman Brothers, had formed this new company to transport natural gas from southwest Texas to Alexandria, La., for sale to United Fuel Gas Co., principal supplier to other Columbia Gas System companies. It is expected that the pipeline will be financed in part by public sale of bonds. **Underwriter** — Lehman Brothers, New York City (managing).

National Airlines, Inc.
May 8, 1961, it was reported that the CAB had approved the company's plan to sell publicly 400,000 shares of Pan American World Airway's Inc., subject to final approval of the Board and the SEC. The stock was originally obtained under a Sept. 9, 1958 agreement under which the two carriers agreed to a share-for-share exchange of 400,000 shares and the lease of each others jet planes during thier respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to divest themselves of the stock. **Price** — About $20 per share. **Proceeds**—To repay a $4,500,000 demand loan, and other corporate purposes. **Office**—Miami International Airport, Miami 59, Fla. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing).

New England Power Co. (10/25)
Jan. 20, 1961 it was reported that this subsidiary of New England Electric System plans to sell $20,000,000 of first mortgage bonds. **Office**—441 Stuart St., Boston 16, Mass. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.; Equitable Securities Corp., and Blair & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc., Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp.; Lehman Brothers. **Bids**—To be received on Oct. 25, 1961.

Northern Natural Gas Co.
March 15, 1961, it was reported that some $12,000,000 to $15,000,000 of common stock will be sold to stockholders through subscription rights in September or October. **Proceeds**—For construction. **Office**—2223 Dodge St., Omaha 1, Neb. **Underwriter**—Blyth & Co., Inc., New York City (managing).

Pacific Gas & Electric Co. (9/26)
July 25, 1961 it was reported that this company plans to sell about $60,000,000 of first and refunding mortgage bonds in September. **Office**—245 Market St., San Francisco. **Underwriters** — Competitive. Probable bidders: First Boston Corp., and Halsey, Stuart & Co. Inc. (jointly) and Blyth & Co., Inc. **Bids**—Expected on Sept. 26, 1961.

Pacific Lighting Corp.
Jan. 3, 1961 it was reported by Paul A. Miller, Treasurer that the company will probably go to the market for $20,000,000 to $40,000,000 of new financing in 1961 and that it probably would not be a common stock offering. **Office**—600 California St., San Francisco 8, Calif.

Pacific Telephone & Telegraph Co.
June 30, 1961 the company turned over its business and assets in Washington, Oregon and Idaho to Pacific Northwest Bell Telephone Co., a new subsidiary. The company plans to offer about 56% of the stock of Pacific Northwest to stockholders through subscription rights in late September with the balance being offered to them within three years. Pacific Northwest Bell expects to sell a large issue of debentures publicly in from six to nine months. **Office** — 140 New Montgomery St., San Francisco, Calif. **Underwriter**—(For the rights offering) None. However, A. T. & T., which owns about 90% of the Pacific Tel's outstanding shares plans to exercise its rights to subscribe to its pro rata share of the offering. (Debentures) Competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co., and First Boston Corp.

Pan American World Airways, Inc.
May 8, 1961 it was reported that the CAB ordered this company to sell its 400,000 share holdings of National Airlines, Inc., and to file a plan of sale with the board within 30 days. The stock was originally obtained under a Sept. 9, 1958 agreement under which the two carriers agreed to a share-for-share exchange of 400,000 shares and the lease of each other's jet planes during their respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to divest themselves of the stock. **Office**—135 East 42nd St., New York City. **Underwriter**—To be named.

Panhandle Eastern Pipe Line Co.
March 8, 1961 it was reported that this company expects to sell about $72,000,000 of debentures in September, subject to FPC approval of its construction program. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder Peabody & Co., both of New York City (managing).

Pennsylvania Power & Light Co.
April 11, 1961 it was stated in the 1960 annual report that this utility expects to spend $140,000,000 on new construction in the 1961 to 1965 period, of which about $56,000,000 will have to be raised through the sale of securities. However, the company now sees no necessity for the sale of equity securities, but expects to convert its present $35,000,000 of bank loans to long-term debt when securities market conditions are favorable. **Office**—9th and Hamilton Streets, Allentown, Pa. **Underwriters**—To be named. The last four bond issues were sold privately. The last public offering of bonds on Oct. 4, 1945 was underwritten by Smith, Barney & Co.; First Boston Corp.; Dillon, Read & Co., Inc., and associates.

Penthouse Club, Inc.
June 1, 1961 it was reported that this company plans to issue 60,000 common shares. **Price**—$5. **Business**—The operation of dining clubs. **Proceeds**—For expansion and working capital. **Office**—15th and Locust St., Philadelphia. **Underwriter**—To be named.

Producing Properties, Inc.
July 12, 1961 it was reported that stockholders had voted to increase authorized common stock from 3,000,000 to 5,000,000 shares. Robert J. Bradley, chairman, stated that the company intends to sell sufficient common shares to net $5,000,000 after commissions and expenses, subject to approval of the SEC. **Business**—The purchase and operation of oil and gas properties. **Proceeds** — For the development of underground reserves. **Office**—35th floor, Southland Center, Dallas, Tex. **Underwriters**—To be named. The last offering of common and debentures in November 1954 was underwritten by Hemphill, Noyes & Co., and Shields & Co., New York and Rauscher, Pierce & Co., Dallas.

● Public Service Co. of Colorado
Dec. 2, 1960, W. D. Virtue, treasurer, stated that company plans the sale of about $25,000,000 in first mortgage bonds to be offered stockholders through subscription rights. **Proceeds**—For expansion. **Office**—900 15th St., Denver, Colo. **Underwriter** — Last equity financing handled on a negotiated basis by First Boston Corp. **Offering**—Expected in November.

Rochester Gas & Electric Corp. (9/27)
Jan. 24, 1961 the company stated it plans to issue about $15,000,000 of 30-year bonds in September. **Proceeds**—For construction. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., White, Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc.; The First Boston Corp. **Bids**—To be received about Sept. 27.

Sel-rex Corp.
May 16, 1961 it was reported that this firm is contemplating its first public financing. **Business** — Precious metals manufacturing. **Office**—75 River Road, Nutley, N. J. **Underwriter**—To be named.

Southern California Edison Co.
May 23, 1961 it was reported that this company will need an additional $35,000,000 to finance its 1961 construction program. No decision has yet been made as to whether the funds will be raised by bank loans, or the sale of preferred stock or bonds. **Office**—601 West Fifth St., Los Angeles, Calif. **Underwriter**—To be named. The last sale of preferred stock on May 12, 1948 was handled on a negotiated basis by First Boston Corp., New York City and associates. The last sale of bonds in April 1961 was bid on by Blyth & Co.; First Boston Corp., Dean Witter & Co. (jointly); Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co., Equitable Securities Corp. (jointly).

Southern Natural Gas Co.
Oct. 28, 1960 it was reported by Mr. Loren Fitch, company comptroller, that the utility is contemplating the sale of $35,000,000 of 20-year first mortgage bonds sometime in 1961, with the precise timing depending on market conditions. **Proceeds** — To retire bank loans. **Office**—Watts Building, Birmingham, Ala. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co. and Kidder, Peabody & Co. (jointly). **Offering**—Expected in October.

Southern Railway Co.
Nov. 21, 1960 stockholders approved the issuance of $33,000,000 of new bonds. The issuance of an unspecified amount of additional bonds for other purchases was also approved. **Proceeds** — For general corporate purposes, including the possible acquisition of Central of Georgia Ry. **Office**—Washington, D. C. **Underwriter**—Halsey, Stuart & Co. Inc., will head a group that will bid on the bonds.

Dividend Advertising Notices Appear on Page 16.

Southwestern Public Service Co.
July 19, 1961, Herbert L. Nichols, Chairman, stated that the company plans to issue about $13,000,000 of common stock in March 1962. The shares will be offered for subscription by common stockholders on the basis of one new share for each 20 shares held. **Proceeds**—For construction. **Office**—720 Mercantile Dallas Bldg., Dallas 1, Texas. **Underwriter**—To be named. The last rights offering to stockholders in January 1957 was underwritten by Dillon, Read & Co., New York City.

Tampa Electric Co.
May 10, 1961 it was reported that this company plans to spend over $80,000,000 on new construction in the next three years. No financing is planned this year but in 1962 the company may issue bonds or common stock. **Office**—111 No. Dale Mabry Hwy., Tampa, Fla. **Underwriters**—To be named. The last sale of bonds on June 29, 1960 was handled by Halsey, Stuart & Co. Inc., New York City. Other competitive bidders were Merrill Lynch, Pierce, Fenner & Smith Inc.; Goldman, Sachs & Co.; Stone & Webster Securities Corp. The last sale of common stock on Feb. 13, 1960 was made through Stone & Webster Securities Corp.

Tower Construction Co.
July 5, 1961 it was reported that a registration statement will be filed shortly covering an undisclosed number of common shares. **Price**—$10 per share. **Business**—The installation and maintenance of radar, micro-wave relay and broadcast antenna towers for military and commercial use. **Office** — 2700 Hawkeye Drive, Sioux City, Iowa. **Underwriter** — C. E. Unterberg, Towbin & Co., New York (managing). **Offering**—Expected in Aug.

Trunkline Gas Co.
March 8, 1961 it was reported that this subsidiary of Panhandle Eastern Pipe Line Co., expects to sell about $32,000,000 of bonds and $10,000,000 of pfd. stock in Sept. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

Universal Oil Products Co.
Jan. 17, 1961 it was reported that this company many require financing either through bank borrowings or the sale of debentures in order to further expansion in a major field which the company would not identify. No decision has been made on whether the product, named "Compound X," will be produced. **Business**—The company is a major petroleum and chemical research and process development concern. **Office** — 30 Algonquin Road, Des Plaines, Ill. **Underwriter**—To be named. The company has never sold debentures before. However, the last sale of common stock on Feb. 5, 1959 was handled by Lehman Brothers; Smith, Barney & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc., all of New York City.

Virginia Electric & Power Co. (12/5)
March 23, 1961, the company announced plans to sell $15,000,000 of securities, possibly bonds or debentures. **Office** — Richmond 9, Va. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Eastman Dillon, Union Securities & Co.; Salomon Brothers & Hutzler; Goldman, Sachs & Co. **Bids**—To be received on Dec. 5, 1961.

West Penn Power Co.
Feb. 10, 1961, J. Lee Rice, Jr., President of Allegheny Power System, Inc., parent company, stated that West Penn expects to sell about $25,000,000 of bonds in 1962. **Office** — 800 Cabin Hill Drive, Hempfield Township, Westmoreland County, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; W. C. Langley & Co.; Lehman Brothers; Eastman Dillon, Union Securities & Co., and First Boston Corp. (jointly); Harriman Ripley & Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly).

Western Union Telegraph Co.
Feb. 28, 1961 it was reported that the FCC has approved the company's plan to transfer its Atlantic cable system to a newly organized company, Western Union International, Inc. The plan provides for the issuance by Western Union International of about $4,000,000 of subordinated debentures and 400,000 shares of class A stock to be offered to stockholders of Western Union Telegraph Co. in units of $100 of debentures and 10 shares of stock. In addition, American Securities Corp., New York City, would purchase from Western Union International about 133,000 additional shares of class A stock giving American Securities ownership of approximately 25% of the outstanding class A stock of WUI. Then Western Union Telegraph would purchase 250,000 shares of class B stock for $100,000 and WUI would sell $4,500,000 of debentures or bonds. **Office** — 60 Hudson Street, New York City. **Underwriter**—American Securities Corp. (managing).

Wisconsin Southern Gas Co.
Dec. 12, 1960 it was reported in a company prospectus that an undetermined amount of capital stock or bonds will be sold in 1961-1962. **Proceeds**—For the repayment of short-term bank loans incurred for property additions. **Office** — Sheridan Springs Road, Lake Geneva, Wis. **Underwriter**—The Milwaukee Co., Milwaukee, Wis. (managing).

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—Vast Latin America, with rich undeveloped natural resources and a population of 20,000,000 more than that of the United States, is affecting our foreign relations policies more and more.

As a major floor fight was shaping up in the Senate over the Kennedy Administration's long-range foreign assistance program, the United States delegation to the important Inter - American Conference in Uruguay was leaving for Montevideo.

A comprehensive program of assistance to help Latin American countries to help themselves will be presented. President Kennedy has sent some of his top officials to the conference, headed by Secretary of Treasury Dillon; his new Ambassador to the Organization of American States, deLesseps S. Morrison, and his new Assistant Secretary of State for Inter-American Affairs, Stanley Woodward.

The plan that will be submitted has been in the process of preparation for six months or so. It is the hope and belief of our authorities that the alliance will result in development of a long-range, integrated system of planning.

Although there may be some question whether it can be accomplished, the aim of the plan is to show that the Democratic countries of different economic levels and thousands of miles apart can work together to achieve social and economic progress in a strife-torn world without giving up freedom.

Highway Development

One of the first things in the development program will call for highway construction which will be a long-range program so that more agricultural and grazing lands may be opened up. Less than 6% of the land in Latin America is currently devoted to agriculture as compared with about one-quarter of the land in the United States.

Other than the Pan American Highway, which still has some incompleted links, there are no long highways in either Central or South America. Roads will help to open up trade among the countries.

The road building program that lies ahead means that many technicians from the United States, like consulting engineers, will be needed. There will be need for cement plants, and a great deal of road building machinery will be shipped to the various countries.

Assistant Secretary of State Woodward, who was a diplomat in Chile before he was appointed to the new post, told the Senate Foreign Relations Committee recently that one of the things most needed at the outset is water and sewage for the cities and towns of Central and South America.

Local Responsibility

The United States delegation at the forthcoming conference does not nor does this country now or in the future—propose to interfere in the domestic affairs of any Latin American country. Our suggested program is borne in a document circulated privately among the various countries, except, of course, Cuba and the Dominican Republic. We have no diplomatic relations with those countries.

Henry R. Labouisse, who heads the International Corporation Administration and is Chairman of President Kennedy's task force on foreign economic assistance, is going to have a hand in our assistance program for Latin America.

Mr. Labouisse, a member of the New York bar, who was educated at Princeton and Harvard, declares that it is essential for the governments of the recipient countries to take the initiative in developing their plans and programs of priorities. The United States is prepared to assist them in the process, if they desire. However, in the final analysis, each development plan or program must be the country's own design and responsibility.

The type of assistance offered includes development lending, developing grants, investment guaranties and surveys of investment opportunities, and development research. Mr. Labouisse summed up our whole aim in Latin America as well as some other less developed countries in this manner:

"The peoples of the less developed areas of the earth desperately need and want higher living standards, progressive administrations, a fairer distribution of the products of their country, better health and educational opportunities for their children. They start, in most cases, from terrible poverty."

Political Ideology

Latin America has a land area larger than the United States and Canada combined. Its problems are varied from country to country. Brazil, as most school boys know, is the largest and by far the wealthiest potentially. Not only is the land area the biggest, but it has a population of 70,000,000 who speak Portuguese. The soil is rich, and there are tremendous deposits of iron, but the country is greatly underdeveloped.

However, our government has been worried about some of the things going on in Brazil and other countries. Nevertheless, the United States is already giving Brazil more aid than any Latin American country has ever received from this country.

The feeling in Washington is that if Brazil should go Communist, then you might as well write off all of Latin America as falling into the Communist orbit. Certainly there is no apprehension now that Brazil, with more arable land than the United States and more than all of Europe, is even thinking of lining up with the Kremlin.

Venezuela used to be our closest friend, outside of Mexico, in Latin America. The small percentage of people holding most of the land have caused unrest, along with the Communists who have been busy there for years.

Calculated Risk

Businessmen and others who have made tours into Latin America in recent months have returned to the United States with the feeling that what has been going on in Latin America and what will take place in the years ahead is going to affect the lives of every one in the United States. While changes have been slow in the past, the tempo appears likely to be stepped up.

All qualified sources seem to agree that the day the foreign businessman expects to go South and make a quick fortune is over. Yet, there is strong belief in Washington that there remains substantial opportunities for foreigners who are willing to make the local people their partners.

Certainly there is a risk, but the risk is lessened by taking the local people into partnership. The case of the Kaiser industries in Argentina is a prime example of local partnership and good relationship. Kaiser Industries, with big domestic investments in Louisiana, has headquarters at Oakland, Calif.

Kaiser is making automobiles and other vehicles in Argentina. Kaiser put up about half of the capital. The people invested the remainder. Argentinians are running the plants and turning out the automobiles and other vehicles by the tens of thousands. Lack of adequate roads is the only thing that is holding back the Kaiser auto industry from expanding in Argentina.

Throughout Latin America today, land reform and industrialization are paramount issues.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]

"Mr. Twit, who was going to speak to us on successful investing, is unable to be present— he's filing for bankruptcy."

Fund Corp. Branch

SIOUX FALLS, S. Dak.—Fund Corporation has opened a branch office in the Paulton Building under the management of Verne DeHaan.

Associated Inv. Branch

RICHMOND, Va.—Associated Investors Corporation has opened a branch office at 920 East Main Street under the direction of Clarence H. Holding.

COMING EVENTS

IN INVESTMENT FIELD

Aug. 11, 1961 (Detroit, Mich.)
Basis Club fourth annual summer outing at St. Clair Inn & Country Club, St. Clair, Mich.

Sept. 8, 1961 (Cleveland, Ohio)
Northern Ohio Group of Investment Bankers Association meeting.

Sept. 13, 1961 (Denver, Colo.)
Rocky Mountain Group Investment Bankers Association meeting.

Sept. 14-15, 1961 (Cincinnati, Ohio)
Cincinnati Municipal Dealers Group annual fall outing at Queen City Club and Kenwood Country Club.

Sept. 15-17, 1961
Pacific Northwest Group of Investment Bankers Association, meeting at Hayden Lake, Idaho.

Sept. 20-21, 1961 (Omaha, Neb.)
Nebraska Investment Bankers' Association annual field day.

Sept. 29, 1961 (Philadelphia, Pa.)
Bond Club of Philadelphia 36th annual field day at the Philmont Country Club, Philmont, Pa.

Oct. 4, 1961 (New York City)
New York Group of Investment Bankers Association meeting.

Oct. 7, 1961 (New York City)
Security Traders Association of New York annual dinner dance at Hotel Commodore.

Oct. 9-10, 1961 (Denver, Colo.)
Association of Stock Exchange Firms, Fall meeting of Board of Governors at the Brown Palace Hotel.

Oct. 9-12, 1961 (Rochester, N. Y.)
National Association of Bank Women Annual Convention at the Sheraton Hotel.

Oct. 10, 1961 (Toronto)
Canadian Group of Investment Bankers Association meeting.

Oct. 13, 1961 (Montreal, Canada)
Canadian Group of Investment Bankers Association meeting.

Oct. 13-15, 1961 (White Sulphur Springs, W. Va.)
Southeastern Group of Investment Bankers Association meeting.

Oct. 15-18, 1961 (San Francisco, Calif.)
American Bankers Association annual convention.

Oct. 16-20, 1961 (Palm Springs, Calif.)
National Security Traders Association Annual Convention at the Palm Springs Riviera Hotel.

Oct. 17, 1961 (Detroit, Mich.)
Michigan Group of Investment Bankers Association meeting.

Oct. 19, 1961 (Pennsylvania)
Western Pennsylvania Group of Investment Bankers Association meeting at Rolling Rock, Pa.

October 20-21, 1961 (Milwaukee, Wis.)
National Association of Investment Clubs 11th annual national convention at the Hotel Schroeder.

Oct. 24, 1961 (Minneapolis-St. Paul)
Minnesota Group of Investment Bankers Association annual meeting.

Oct. 26, 1961 (Louisville, Ky.)
Ohio Valley Group of Investment Bankers Association annual meeting.

Nov. 26-Dec. 1, 1961 (Hollywood, Fla.)
Investment Bankers Association Annual Convention at Hollywood Beach Hotel and the Diplomat Hotel.

Dec. 4-5, 1961 (New York City)
National Association of Mutual Savings Banks 15th annual mid-year meeting.

April 8-10, 1962 (San Antonio, Tex.)
Texas Group of Investment Bankers Association of America, annual meeting at the St. Anthony Hotel.

May 6-9, 1962 (Seattle, Wash.)
National Association of Mutual Savings Banks 42nd annual conference at the Olympic Hotel.

Sept. 23-26, 1962 (Atlantic City, N. J.)
American Bankers Association annual convention.

April 27-May 1, 1963 (Boston, Mass.)
National Association of Mutual Savings Banks 43rd annual conference at the Hotel Statler.